

FROM MARKET DEVELOPMENT TO SUPERIOR VALUE PROPOSITION

*A DUE DILIGENCE ANALYSIS OF PROVIDING THE ENGINEERING AND CONSULTANCY SERVICES OF
TEBODIN NETHERLANDS B.V. TO GERMAN INDUSTRIAL MARKET SECTORS*



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- Public version -



UNIVERSITY OF TWENTE

Faculty of Behavioural, Management and Social Sciences

Master Thesis

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A Due Diligence Analysis of providing the engineering and consultancy services of Tebodin Netherlands B.V. to German Industrial Market Sectors

- Public version -

Number of pages: 172 | Number of words: 66200

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Enschede, 01.08. 2016



EXECUTIVE SUMMARY

In today's globalized business environment, which is highly dominated by rapid technological change and advanced communication technology, many companies in various fields are facing extensive competition. In addition, customers are constantly getting more knowledgeable, requiring highly customised products and services of outstanding quality. Fulfilling sophisticated customer requirements, while staying competitive remains to be a tough balancing act for organisations in these days. The key ingredient to master the given challenges often appears to be healthy company growth, through continuous market development. However, many different aspects have to be taken into consideration, when being aimed to expand an organisations business operations to foreign markets.

Many authors have established various concepts for measuring the customers benefit resulting from superior value creation. Yet, theories that not only take the customer benefits into account, but also measure the success of a foreign market expansion by means of the change in company value that can be associated with it, remain to be scarce. Based on the recent study conducted by Nenonen & Storbacka (2015), the objective of the current research was to develop a strategic management tool, which supports companies measuring the effect on shareholder value that can be associated with the successful realisation of foreign market expansion through delivering superior customer value-in-use. By considering not only the different factors, which shape the success of the foreign market expansion, but also the interdependencies between those factors the developed model delivers valuable data on all aspects that have to be taken into account when being aimed to expand a firms business operations to foreign markets.

In order to verify the effectiveness of the given model, a design research has been conducted at the company Tebodin Netherlands B.V. One of the most significant markets the company serves for over seventy years now, is the oil & gas sector. However, the fact that the oil price has been in free fall since mid-2014, led to essentially lower investments of the oil & gas sector. In order to compensate the decrease in revenue resulting thereof, the company is currently aimed to expand their business operations to additional European markets and thus generate further sales diversification. In the performed case study, the developed model has been applied to measure the effect on company value that can be associated with expanding the company's business operations to the German market. Thus, the following research is meant to provide a due diligence analysis of generating healthy company growth through delivering superior value-in-use by offering the engineering and consultancy services of Tebodin Netherlands B.V. to German industrial market sectors. In regard to the given central research question,

“How can the delivery of superior value-in-use for German industry customers lead to an increase of company value and profitability of Tebodin Netherlands B.V.?”,

the following conclusions could have been drawn by applying the developed model.

In general Tebodin, processes a lot of valuable resources that can be applied to take advantage of the huge potential offered by the German food market. However, in order to be able to create superior value-in-use that results in an increase in company value a significant perspective change will have to take place. Currently, company's management and employees are primary focused on improving the operational excellence of the company's internal processes.



Accordingly, issues concerning the external environment as well as the company's external appearance play a rather subordinate role. However, especially when being aimed to expand the company's business operations to further countries, in which the company brand is not yet popular, extensive marketing activities are the most essential ingredient for being able to enter the foreign markets successfully. The need for marketing is even intensified for complex services, such as those offered by Tebodin. Due to the fact that various actions that are performed by Germans are primarily driven by uncertainty avoidance, consistency among statements as well as between statements and actions is essential. Hence, while claiming to be responsive to the customer's individual needs, it would be strongly recommended to deliver accompanying sales literature that reflects this claim in order to account for the German preference for accuracy, consistency and expertise, and specialisation. Thus, preparing customised marketing material for each individual food segment will be required. Furthermore, to gain the customers' attention and be subsequently able to deliver superior value-in-use, which increases the shareholders' value, it is highly recommended to add problem-solution sales material as suggested by the researcher.

The various consultancy services offered by Tebodin should be intensively promoted during the initial phase of the market development, since these services offer two advantages: In the food sector the energy costs not seldom amount for up to 30% of the overall production costs. Accordingly, aspects such as sustainability, cost-effectiveness and energy efficiency play a great role in the German food industry. Through providing professional advice regarding energy efficiency, sustainability, and project feasibility Tebodin could support the small SME's to make their production more efficient, and thus open the door for conducting bigger projects, once it has proven to be a reliable partner, delivering satisfactory services. Moreover, the unique company culture, which to a high degree can be traced back to the Dutch culture as well as the Bilfinger network are regarded to be very valuable. Accordingly, it is highly recommended to adopt a company structure for the future German subsidiary consisting of both, German natives and Dutch experts. Besides ensuring a sound communication between the company's employees and the customer, filling the supporting functions with German natives also shows commitment as well as willingness to adapt. Moreover, applying the suggested subsidiary structure provides the potential German business partners with a certain degree of security, by bridging intercultural gaps, avoiding misinterpretation of the counterparts' behaviour and ensuring that attention is paid to fulfil German regulation. Furthermore, the strategic concepts that have been developed concerning: continuous quality improvement, lean processes and operational excellence, can also be applied to German project executions, if Dutch engineers are appointed to German projects. The combination of Dutch and German employees also grants a great opportunity for mutual learning and to create a synergy which optimises future project executions and cannot be imitated by German competitors easily. However, at this point it has to be pointed out that inefficiencies as they are present in the Netherlands should be reduced to a minimum in the new German subsidiary. In principle, any investment is expected to generate earnings in excess of the cost incurring in order to be profitable. In regard to the German market entry of Tebodin Netherlands B.V. it can be stated that the marketing investment that can be associated with the various marketing activities planned to be undertaken, appears to be profitable in any case. Even under the worst-case scenario, the given marketing investment is still estimated to increase the company's current asset value by approx. €1m. However, it has to be taken into account that additional costs, are expected to incur upon opening the German subsidiary. Nevertheless, the given marketing investment is expected to generate additional revenues in excess of all costs incurring and thus is expected to increase the shareholders' value significantly within the subsequent periods.



ACKNOWLEDGEMENTS

Finally, a very exciting, inspiring and pleasant period ends today. Within this section I would like to thank the company Tebodin Netherlands B.V., which granted me the opportunity to support them in realising a very special, ambiguous and challenging project, - the German market entry of the company.

In this, special thanks go to my company supervisor Mr. Rob van de Bunt (Director Procurement North-West Europe at Tebodin Netherlands B.V.) Rob, thank you very much for all your support, in good and in bad times. I really appreciated that very much. Furthermore, I would like to thank Rob van de Bunt, Wim van den Brink (Director Region North-East) and Bert Frowijn (Director projects) for all the fantastic challenging tasks you gave me, and for the great trust you placed in me, always granting me the opportunity to excel.

Special thanks also go to my first supervisor Mr. Henk Kroon (University of Twente). Henk, thank you very much for your open ear and profound advise at any time, I really appreciated being supervised by you. Moreover, I would like to thank my second supervisor Dr. Raymond Loohuis (University of Twente) for challenging my thoughts. That really made me think twice and hopefully helped me to improve.

In addition, I would like to thank my colleagues from the procurement department of Tebodin for always being there for me, assisting me and providing useful information, explanations and advice and making my day a little bit brighter. – Gezelliger kunnen wij het niet maken! Of course, I would also like to thank all my key informants and the participants of the focus group discussion very much for their openness, honesty and enthusiasm, with which they participated, providing me with very valuable information for processing with my master thesis. Last but not least, I would like to thank my family and friends for all their support and understanding, during the entire execution phase of my master thesis.



LIST OF ABBREVIATIONS

Abbreviation	Term / Description
AAW	Above average weight
AcOS	Actual Overall score
AES	Average Extensiveness Score
ASS	Average Specificity Score
AW	Average weight
B2B	Business-to-Business
BAW	Below Average Weight
BB	Brandenburg
BDSI	Bundesverband der Deutschen Süßwarenindustrie e.V.
BE	Bundesvereinigung der Deutschen Ernährungsindustrie
BMC	Business Model Canvas
BOGK	Bundesverband der obst-, gemüse- und kartoffelverarbeitenden Industrie e.V.
BSC	Balanced Score Card
BVDF	Bundesverband der Deutschen Fleischwarenindustrie e.V.
CD	Cultural Distance
CI	Continuous Improvement
CRM	Customer Relationship Management
CSA	Cumulative Standard Axles
EDI-G	Energiedienstleistungsgesetz
EEG	Erneuerbare Energien Gesetz
EPCM	Engineering, Procurement, Construction and Management
F	Frequency
FAT	Factory Acceptance Test
FDI	Foreign Direct Investment
FFA	Food, Feed, Agro
GDP	Gross Domestic Product
HACCP	Hazard Analysis and Critical Control Points
HAZOP	Hazard and operability study
HQ	Headquarters
ICE	Industrial, Chemicals, Energy
IT.NRW	Information und Technik Nordrhein-Westfalen
JVs	Joint Ventures
LP	Large projects
MIV	Milch-Industrie Verband e.V.
MTO	Made To Order
MV	Mecklenburg-Vorpommern
NE	North-East
NPV	Net Present Value
NW	North-West



Abbreviation	Term / Description
O&G	Oil & Gas
P&ID	Piping and Instrumentation diagram
PDMS/ E3D/Revit/Inventor/Ceasar II/ COMOS	Common computer programs in engineering used for 3D modelling
PFD	Process Flow Diagram
PM	Project Management
PO	Purchase Order
PoC	Percentage-of-Completion
PP&E	Plant, Property and Equipment
PR₁	Political Risk
PR₂	Public Relations
Q	Quality
QOHSE	Company department responsible for Quality Health and Safety
RBV	Resource-based View
RI&E	Risk Inventory & Evaluation
ROA	Return on Assets
ROD	Return on Debt
ROE	Return on Equity
ROS	Return on Sales
RROI	Required Return on Investment
SAT	Site Acceptance Test
SE	South-East
SIL	Safety integrity level
SMEs	Small and Middle-sized Enterprises
SW	South-West
Thür	Thüringen
TRA	Task Risk Analysis
UFD	Utility Flow Diagrams
VCA	Voltage-Controlled Attenuator
VRIN/O	Within the framework of the resource-based view resources that can gain a (sustainable) competitive advantage are: valuable, rare, imperfectly imitable, not strategically substitutable and organisable
WACC	Weighted Average Cost of Capital
WOSs	Wholly-owned Subsidiaries
YTP	Young Talent Program



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1

INTRODUCTION

In today's globalized business environment, which is highly dominated by rapid technological change and advanced communication technology, many companies in various fields are facing extensive competition. In addition, customers are getting more and more knowledgeable, requiring highly customised products and services of outstanding quality, at a reasonable price. Fulfilling these sophisticated customer requirements, while staying competitive remains to be a tough balancing act for organisations. The key ingredient to master the given challenges often appears to be healthy company growth, through continuous market development.

The current literature comprises various theories and analysis techniques concerning the benefits accompanying constant market development through delivering superior customer value. Authors like e.g. Walter, Ritter, & Gemünden (2001), Lusch, Vargo & Malter (2006), Rayruen & Miller (2007), Payne, Storbacka & Frow (2008), Singh & Koshy (2011) or Grönroos (2011), already established comprehensive frameworks for identifying and measuring the supplier's marketing and sales benefits as well as the customer's operational benefits, resulting from superior value creation. Furthermore, many studies provide different approaches evaluating investments undertaken and measuring the effect of continuous growth on the company's annual, financial results. However, only few researchers integrated the two divergent perspectives in their theories, evaluating the adopted marketing strategies and the associated investments, by measuring the financial effect of the investment.

The objective of the current research was to develop a strategic management tool, which supports companies with increasing the overall company value through realising foreign market entry and development, successfully. By integrating common strategic market development theories and theories concerning financial business evaluation, the established model emphasises the delivery of superior value-in-use to foreign target customers and subsequently measures the increase in company value that can be associated with the successful market expansion.

In order to verify the effectiveness of the given model, a design research has subsequently been conducted at the company Tebodin Netherlands B.V. In the performed case study, the developed model has been applied to measure the effect on company value that can be associated with expanding the company's business operations to the German market. Thus, the following paragraphs are meant to provide a due diligence analysis of generating healthy company growth through delivering superior value-in-use by offering the engineering and consultancy services of Tebodin Netherlands B.V. to German industrial market sectors.

In the following sections the basic model that has been developed as well as the case company, will be introduced and the initial research problem will be explained in more detail. Afterwards, the central research question and the sub-questions resulting thereof will be formulated. In addition, a literature review concerning the different components of the research will be performed and the methodology and research design will be described and operationalised. Subsequently, the performed analyses concerning the identification of company's resources that are considered as valuable for reaching the stated objective and the conditions and factors within the German market environment that are expected to influence the future business operations will be presented.



Based on the key findings of the performed analyses, applicable market entry as well as marketing strategies will be developed and the necessary investment will be estimated. In the following section, a first forecast of revenue that may be generated by the investment undertaken as well as the associated increase in asset value will be estimated and the investments profitability will be evaluated. Ultimately, further strategic and operational actions will be recommended and a preliminary implementation plan will be given.

1.1 The Model

The Business Model Canvas (BMC) developed by Osterwalder & Pigneur (2010), as well as the recent findings of Nenonen & Storbacka (2015) served as a cornerstone for the development of the current strategic management model, illustrated below. While the BMC takes into account in what way “an organisation creates, delivers and captures value”, (Osterwalder & Pigneur, 2010 p. 14) the study conducted by Nenonen & Storbacka (2015) found that the company’s value can be increased by the creation of superior customer value. In the current research, common marketing theories, concerning customer value creation, and financial investment evaluation concepts have been integrated, in order to establish an effective strategic management tool for measuring the effect on shareholder value that can be associated with strategic market expansions the successful realisation of foreign market expansion through delivering superior customer value-in-use. The fundamental model resulting thereof basically consists of four building blocks. Firstly, the company’s assets and capabilities are identified by means of an internal analysis of the company’s resources. In the next step the external environment in the target market is analysed and the valuable assets for realising the market entry are determined. Based on the results of the internal and external analyses, appropriate market entry and marketing strategies are established and the asset value increase generated by the associated marketing investment is estimated.

Strategic management tool for measuring the effect on shareholder value associated with the successful realisation of foreign market expansion through delivering superior customer value-in-use

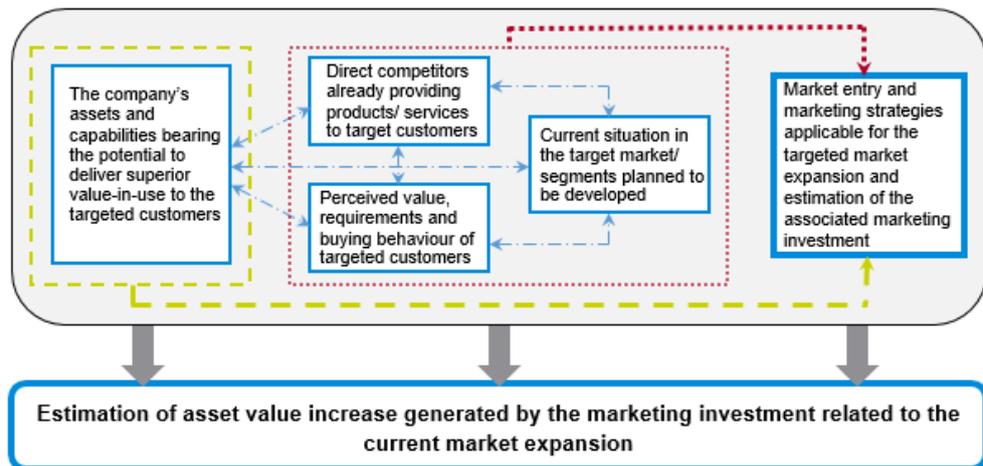


Figure 1: Strategic management tool for measuring the effect on shareholder value associated with the successful realisation of foreign market expansion through delivering superior customer value-in-use

	Factors to be considered to realise foreign market entries successfully		Superior value-in-use for the target market
	Relationship/ Interdependencies between the different factors		Outcomes resulting from further research based on previous research findings of internal and external analysis
	Internal (resource) analysis		Delivery of superior value-in-use to the target market
	External analysis		Outcomes resulting from further research based on previous research findings from internal and external analysis as well as the applicable market entry and marketing strategies and the investment associated
	Research findings internal analysis		
	Research findings external analysis		



1.2 Case Study: The German market entry of the Dutch engineering & consulting company Tebodin Netherlands B.V.

Bithas et al. (2015), claim that enterprises try to react on challenges, such as extensive competition and highly sophisticated customer requirements, through intensifying specialization. This aspect in turn results in focusing on core competencies, while outsourcing several other business activities to external service partners. According to Bithas et al. (2015 p. 439), companies “realize that they need to transform through collaboration with other enterprises in business networks, in order to: a) develop new value propositions, b) reduce operating costs, and c) engage in value innovation activities” and thus, to achieve operational excellence.

Tebodin Netherlands B.V., which is headquartered The Hague (NL) since 1945 and part of the Bilfinger group since 2012, recognises this trend towards specialization. Therefore, it is constantly aim to “be one of the world’s finest engineering & consulting service companies, delivering smart and sustainable engineering solutions as well as practical consultancy services and expertise that exceed the clients’ expectations.” (Tebodin B.V., 2015) The service-dominant logic developed by Vargo & Lusch (2008, p.256), defines the term service “as the application of competences (knowledge and skills) for the benefit of another party. Accordingly, Tebodin employs “4,800 highly skilled and dedicated professionals in 23 countries, who apply and improve their expertise with unprecedented speed and competence, while they constantly monitor and identify opportunities and exploit their capability to enter new markets without hesitation to ensure profitable growth around the world.” (Tebodin B.V., 2015) Within the area of North West Europe Tebodin offers engineering for different business markets, including the industrial, food, pharmaceuticals, oil and gas, energy, chemicals, pipeline and infrastructure and property market.

Problem statement

One of Tebodin’s major objectives is to be ‘always close’ to their customers. However, at this moment, corporate locations of Tebodin Western Europe can solely be found in the Netherlands, Belgium and England. In order to truly become Tebodin Western Europe, expanding the company’s business operations to further European countries, such as the France, Scandinavia or Germany, appears to be of high strategic importance for the future success of the entire corporation. Another compelling reason, why Tebodin’s management has decided to invest further resources in actively generating revenues from other western European markets, is that the most significant market the company serves is the oil & gas sector. However, the fact that the oil price has been in free fall since mid-2014, led to essentially lower investments of the oil & gas sector. (NASDAQ, 2015) Furthermore, the Dutch market is currently rather saturated. Having resided in a recession during the last couple of years, (real GDP growth of -1.2% in 2012 and -0.8% in 2013), the Dutch economy advanced by only 0.1 percent in the third quarter of 2015, staying below the market expectations of 0.3 percent growth. (Centraal Bureau voor statistiek, 2015) Furthermore, the government expenditure remained to be the major driver of growth, while company investment declined and private consumption stagnated. (Ferreira, 2015) Consequently, the demand for engineering and consultancy services, such as those offered by Tebodin, also decreased during the last periods.

Due to its very strong food, chemical and pharmaceutical sectors, its remarkable size, its stable economic and political environment as well as its geographical closeness to the Netherlands, Germany appears to be an attractive starting point for the planned business expansion of Tebodin.



From the company's point of view "settling in local markets and blending with local people helps the firm to understand the culture and needs". (Tebodin B.V., 2015) Thus, the company is aimed to realize the German market entry through opening a company subsidiary on German ground in the near future. When having opened the German subsidiary once, Germany in addition offers manifold opportunities to expedite company growth further, bordering nine European countries, namely: Austria, Belgium, Czech Republic, Denmark, France, Poland, Luxembourg, the Netherlands and Switzerland.

Initial analyses have shown that while the chemical as well as the pharmaceutical industry remain to be dominated by huge, international corporations, 95% of the companies operating in the food sector are SMEs. According to a recent study conducted by the Bundesvereinigung der Deutschen Ernährungsindustrie (BVE) (2015), 30% of the overall production costs incurring for food companies appear to be energy cost. Furthermore, consumers are continuously becoming more sophisticated, demanding for sustainable manufactured products of outstanding quality at a reasonable price. As a consequence, internal production standards and the competitive pressure are constantly increasing, while prices decline. In these days energy-efficient and sustainable production processes as well as the application of modern technologies become inevitable in order to complete the given challenges and ensure future business operations. Multinational corporations, as present in the chemical or pharmaceutical industry often have their own engineering department in-house as well as business partners contracted over large periods. In contrast, the SME's like those that can be found in the food sector often lack the capacity and the professional expertise to realise complex plant modernisations or even building new production facilities. Another critical aspect that has to be taken into consideration in this particular context is the negative reputation that can be traced back to business operations that have been executed by a former German branch in Gelsenkirchen, terminated in 2012. This negative reputation is to some extent still present in the oil and gas industry.

Subsequently, concentrating the German market development primarily on the various food market in the initial operating phase of the subsidiary appears to be an appropriate measure to generate healthy company growth. Another advantage of approaching the German market by focusing on primary on one market sector in the initial operation phase is that the limited engineering capacities of the new subsidiary are not overstrained, so that the company's profitability is increased over the long-run. Hence, it has been decided to limit the current market research and analyses that will be performed in the following sections primary on the food and beverage sector, while only making sidesteps to the chemical and pharmaceutical market. Postponing the detailed market analyses of the ladder market sectors to later stages of the market development process and approaching these markets when Tebodin has become a well-established player within the German market and has managed to build up a valuable company reputation, also grants the opportunity to observe the upcoming developments constantly and act promptly as the market conditions are opportune.

In order to ensure that the current attempt of re-entry will be fruitful, thorough market research will have to be conducted to identify the real potential and the conditions present in the various target segments on the German market. Furthermore, sophisticated strategies will have to be established in order to be able to develop a profitable, sustainable business.



Especially when offering services in business-to-business (B2B) markets a supplier's ability to create superior customer value or a lack thereof, often determines a company's success or failure. Grönroos (2011, p. 241), argues that "an extended service offering is an interactive process consisting of several sub-processes and resources supporting corresponding customer practices in a way that helps the customer create value in all its practices (operational efficiency), and through this ultimately has a value-creating impact on the customer's business process (business effectiveness)."

Since major business customers invest large amounts of their financial resources in the procurement of high-quality services, acquiring, and retaining satisfied and loyal business customers on the German market effectively, can ultimately result in greater shareholder returns for Tebodin as supplier (Rauyruen & Miller, 2007). A study conducted by Nenonen & Storbacka (2015), recently found that company's value can be increased significantly by superior value proposition, since effective customer asset management ultimately leads to increased customer revenues, decreased customer-related costs, optimised asset utilisation as well as reduced customer-related risks through increased diversification.

Nevertheless, while market development offers a variety of opportunities for corporations, numerous aspects have to be taken into consideration when planning to expand a company's operations to further geographical markets. One of the manifold challenges that appear inevitably, when moving into foreign countries, is the enhancement of the company's ability to deliver services that on one hand are suited to the local market conditions and on the other hand, exactly meet the requirements of its target customers. In order to create superior value-in-use for the German business customers in the food, chemical and pharmaceutical markets, a significant amount of financial and other resources are required and will have to be allocated effectively. Furthermore, the current (competitive) situation in the different target markets will have to be analysed to figure out how the company's resources and capabilities at hand can be applied to enter the German market successfully, create superior value-in-use for the German customers and therewith outperform direct competitors already providing engineering and consultancy services to the German target customers in the three different sectors.

Research Objective and Central Research Question

The strategic management tool, introduced by the researcher at the beginning of this chapter, will serve as a cornerstone for the current case study regarding the German market entry of Tebodin Netherlands B.V. The main objective of the research conducted is to verify the developed model through applying it to the given case and to be ultimately able to draw-up valuable conclusions concerning the following central research question:

How can the delivery of superior value-in-use for German industry customers lead to an increase of company value and profitability of Tebodin Netherlands B.V.?

When having a closer look at the developed model, it becomes clear that several research stages will have to be completed in order to find adequate answers to the given central research question.

The first stage of the research is meant to identify all valuable company resources (assets and capabilities), which are critical for the creation of superior customer value-in-use and therefore can be applied to achieve Tebodin's main objective to enter the German market successfully. In the second research stage, the current situation on the German market will be analysed to determine the market potential in the relevant target segments as well as the general conditions for doing business. Subsequently, it will be outlined in what way Tebodin can apply its identified valuable resources, in order to cope with the given market conditions in the target sectors, to overcome potential obstacles as well as entry barriers and benefit from the given opportunities. The following two research stages are aimed to determine how the spotted assets and capabilities at hand can be applied effectively in order to, on one hand identify and outperform direct competitors already providing engineering and consultancy services to the German target customers, to pinpoint the key requirements of German target customers and to create and measure superior customer value-in-use on the other hand.

In the fifth research stage applicable marketing strategies for promoting the company's engineering and consultancy services on the German market will be defined and the necessary investment will be estimated. The ultimate research stage is aimed to make a first forecast of revenue that may be generated by the investment undertaken and to measure the effect on the company's asset value and profitability that can be attributed to the particular marketing investment.

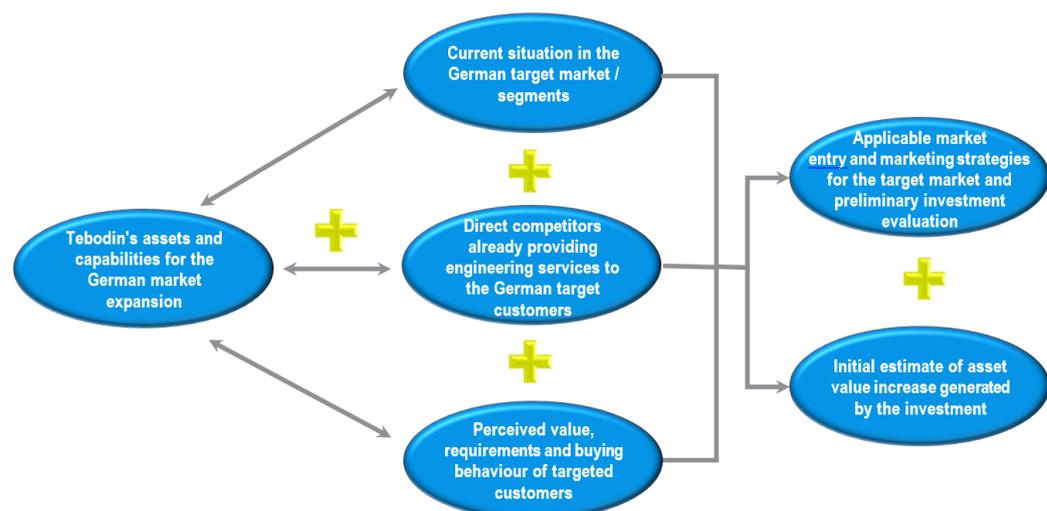


Figure 2: Illustration of the research process



According to the different research stages that have been established above, the following six sub-questions have been formulated:

Sub-questions

- 1. Which assets and capabilities does Tebodin B.V. have at its disposal that bear the potential to deliver superior customer value-in-use for German industry customers?*
- 2. What is the current situation in the German target markets and in what way can the assets and capabilities at hand be applied to enter the German market successfully?*
- 3. In what way can the assets and capabilities at hand be applied in order to identify and outperform direct competitors already providing their services to the German food/chemical market?*
- 4. What are the customers' buying behaviour, perceived value and requirements like on the German market and how can Tebodin use the identified prerequisites to create superior customer value-in-use as market-based asset?*
- 5. What would be applicable market entry and marketing strategies and the investment associated with promoting and positioning the engineering and consultancy services on the German market?*
- 6. What amount of revenue will have to be generated by the investment undertaken to enter the German market in order to increase the asset value and profitability of the company?*

In the next section replicated current literature and scientific papers will be consulted in order to identify the relevant theories and methods that may act as an appropriate fundament for providing the following research deliverables:

- ❖ Identification of Tebodin's strengths and weaknesses affecting the success of the aimed market entry and the future business operations in Germany
- ❖ Analysis and evaluation of the German external market environment and market conditions within the target markets
- ❖ Recommendation of most applicable market entry and marketing strategies to realise the given aim, including budget and investment evaluations as well as recommendations concerning further analytical and operational activities implied by the current research findings.



2

THEORETICAL FRAMEWORK

The following section, are meant to provide the fundamental theoretical framework on which the current research design, methodology and analyses are based. In order to be able to adequately answer the six sub-questions given, the findings of the literature review that has been performed are stated per research question. Furthermore, public and scientific relevance of the current research is clarified.

2.1 Theoretical framework per research question

Which assets and capabilities does Tebodin B.V. have at its disposal that bear the potential to deliver superior customer value-in-use for German industry customers?

Grönroos (2011), claims that customer value is created when the provision of resources or interactive processes leads to a situation, in which the customer is or feels better off than before. (Grönroos, 2008; Vargo, Maglio, & Akaka, 2008, cited by Grönroos 2011) One component of customer value proposition remains to be the customer's value-in-use. This particular concept describes the value that emerges for the customer through the usage of the services, products or resources provided. (Grönroos & Päivi, 2011) However, several resources are required in order to be able to provide customer with value-in-use. The resource-based view (RBV) assumes that firms within an industry have heterogeneous strategic resources at hand, which are not perfectly mobile across firms. (Barney, 1991) Accordingly, this theory claims that companies will be able to gain a (sustainable) competitive advantage as long as these resources are: valuable, rare, imperfectly imitable, not strategically substitutable and organisable (VRIN/O). (Barney, 1991) For the current purpose, the following definition of the term 'resources' will be adopted. Resources are: "all assets, capabilities, organizational processes, firm attributes, information, knowledge etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness." (Daft, 1983 cited by Barney, 1991 p. 101) According to Barney (1991), valuable resources, which may act as a source of (sustainable) competitive advantage, can be categorized as either physical capital resources, human capital resources or organisational capital resources. Although authors like Priem & Butler (2001); Truijens (2003); Lockett, Thompson, & Morgenstern, (2009); or Kraaijenbrink, Spender & Groen (2009) pass some criticism on the resource-based view concerning: a) its construct validity and generalizability, since intangible resources are rarely testable, b) its tendency to tautology, due to imprecise definitions of value and uniqueness, as well as c) its neglect of the exogenous environment of the company, Killen, Jugdev, Drouin, & Petit, (2012) state that advanced project management techniques that have been "developed over time and customized to an organization's environment are not easy to copy". (p. 526)

Furthermore, Lev & Zarowin (1999) found that the reason why financial statements often do not reflect the true value and performance of the enterprise, often appears to be the accounting practices for intangible assets. Based on this study, Laitinen (2006) developed a conceptual framework for measuring the future potential of a firm. This framework consists of four evaluation methods, which are not based on financial statements and six evaluation methods which are based on financial statements. The four evaluation methods not based on financial statements are: 1. Human resource accounting; 2. Technological balance sheet; 3. Intangible assets evaluation and 4. Balanced scorecard (BSC).



The methods that are based on financial statements are: 1. Conventional financial statement analysis associated with a strategic perspective; 2. Systematic fundamental analysis; 3. Development of new financial measures; 4. Adjustment of financial statements; 5. Use of other explanatory of potential along financial ratios and 6. Modelling the firm with time series of financial statement information; (p. 258)

The services offered by the case company are strongly customised to the requirements of the various business customers. The unique service delivery process performed by the company relies to a significant extent on intangible resources, such as explicit and tacit knowledge and capabilities of employees, intellectual property, or reputation. Accordingly, the RBV and the concept developed by Laitinen (2006), appear to be a suitable theory for the current purpose of measuring the company's non-human tangible and financial resources as well as its human social, cultural, intellectual, and strategic resources.

"Focus group research is defined as a method of collecting data, in a safe environment, from more than one individual at a time, regarding a specified area of interrogation." (Krueger & Casey, 2000 cited by Onwuegbuzie, Dickinson, Leech, & Zoran, 2009, p. 711) Being described as "an economical, fast and efficient method for obtaining data from multiple participants", (Krueger & Casey, 2000 cited by Onwuegbuzie et al., 2009, p. 2) this research method is regarded as an applicable qualitative research method to validate the preceding research findings, through gathering reliable, primary data concerning the employees' perceptions about which company resources are valuable to realise the German market entry. "Although the social context in a focus group is not a natural one, the use of focus groups presents an opportunity to observe group interactions within this social context." (Morgan, 1996 cited by Duggleby, 2005, p. 832) According to Carey & Smith (1994), the interactional nature of a focus group can affect the research results in a positive as well as in a negative way. The foremost advantage of conducting focus groups is that they grant the opportunity to collect high-quality experiential information by using group interactions. In the given setting the response of one participant stimulates the reactions of others, which in turn yields further important data. (Welch, 1985) This suggestion is also supported by Kitzinger (1995) and Bryman & Bell (2011), who point out that the dynamics and processes in focus group settings can "help people to explore and clarify their views in ways that would be less easy accessible in one to one interviews" (Kitzinger, 1995, p. 299) and therewith "define business problems in new and innovative ways". (Bryman & Bell, 2011, p. 503).

However, Onwuegbuzie, Leech, & Collins (2010, p. 715), point out that "the mix of the members of the focus group impacts the type of data that can be collected." "Groups that have members who are similar to one another tend to affect adversely a person's willingness to be authentic and to present their personal views to group members" (Sim, 1998 cited by Onwuegbuzie, Leech, & Collins, 2010, p. 715) Duggleby (2005), suggests that focus group data arises from the following three sources, namely, individual data, group data and group interaction data. Kitzinger (1994), claims that for the group interaction process to be successful, not only consensus and articulation are important, but differences between individuals play also a critical role. She claims that "regardless of how they are selected, the research participants in any one group are never entirely homogeneous. Participants do not just agree with each other, they also misunderstand one another, question one another, try to persuade each other of the justice of their own point of view and sometimes they vehemently disagree" (p. 113). This is what Kitzinger (1994), calls augmentative interactions.



Onwuegbuzie et al. (2009, p. 5), support this theory by underlining that "only presenting and interpreting the emergent themes provides no information about the degree of consensus and dissent, resulting in dissenters effectively being censored or marginalized and preventing the delineation of the voice of negative cases or outliers." In summary, it can be stated that the interaction processes within a focus group, such as the augmentative interaction described by Kitzinger (1994), can act as a valuable source of data for the researcher, delivering supportive information about the focus group participants.

In terms of the subsequent analysis of the focus group data gathered, Krueger (2015) developed a framework which contains seven analysis themes, namely: Words, Context, Internal consistency, Frequency or extensiveness, Intensity, Specificity and Finding big ideas. During the first stage of analysis the analyst considers the actual words used by the participants as well as the meanings of those words, in order to identify the degree of similarity between these responses. Subsequently, the analyst takes into account if the different answers of the participants were triggered by a stimulus, such as a question asked by the moderator or a statement from another participant. After that an internal consistency analysis will be performed. This analysis is aimed to figure out if the different participants changed their opinion during the conversation. The fourth analysis stage named frequency or extensiveness considers which topics participants regarded as most important and which comments appeared most frequently. In addition, the intensity of feelings of the different participants, while discussing the topics are traced. However, intensity may be difficult to spot by transcriptions only, therefore it is advisable to also take the tone of voice, speed, and emphasis on certain words into account. The sixth stage of analysis comprises the weighing of the numerous responses of the different participants. The more specific and experienced-based a response, the higher the weight. Ultimately, identifying the big ideas, is of utmost importance for the success of the analysis of the focus groups results.

However, for internal resource analysis to fulfil its potential in the strategic management of a market expansion project, the ideas of the RBV have to be combined with an external demand model, matching the company's valuable resources to the conditions and requirements of the environment it operates in. (Priem & Butler, 2001) Narver and Slater (1990, p. 21), infer that "market orientation consists of three behavioural components - customer orientation, competitor orientation and interfunctional coordination - and two decision criteria - long-term focus and profitability". Thus, the literature reviews performed in the following two sections of are concerned with theories regarding the company's exogenous operating and competitive environment.

What is the current situation in the German target markets and in what way can the assets and capabilities at hand be applied to enter the German market successfully?

When a company aims to expand its business operations to a foreign market, the PESTLE analysis has been found to be a valuable strategic tool. By using the PESTLE analysis the macro-economic factors that may affect the company's supply and demand levels as well as its costs and thus, the company's performance can be identified. This actually means that the PESTLE analysis remains to be a valuable tool to understand aspects like market growth or decline, business position, potential and direction for operations, by conducting for example analyses of the political, economic, sociocultural, technological, environmental and legal factors in the external environment of an organization. (Thompson and Martin, 2010; Rothaermel, 2012; Kotter and Schlesinger, 1991; Johnson and Scholes, 1993 cited by Oraman, 2014).



A company can subsequently use the results of the performed analyses to develop most appropriate business and marketing strategies for taking advantage of the opportunities present, while minimising the threats. (Byars, 1991; Cooper, 2000 cited by Oraman, 2014) The PESTLE analysis appears to be a suitable method for reviewing the macro-economic conditions on the German market within the research context of the current case study, since it accounts for the macro-economic factors that are most critical in expanding a company's business activities to an additional geographic market.

Measuring the competitive advantage of nations, the porter's diamond model complements to the preceding PESTLE analysis by figuring out why some countries' industries appear to be more attractive and are therefore preferred for the expansion of business operations. (Özer, Latif, Sarusik, & Ergün, 2012) In the given framework "the determinants of competitive advantage at microeconomic level are: the factor conditions (the wear of basic and advanced factors); the demand conditions (the level of buyer sophistication and market size); the related and supporting industries (the activities from value chain in order to promote competitiveness); the firm strategy, structure and rivalry (how is manage and how we compete)". (Herciu, 2013) For measuring the macro-economic level of international competitiveness, two additional determinants have been added, "the government (antitrust, education, subsidies) and chance (taking into consideration some unpredictable events)". (Herciu, 2013) The international competitiveness of a country ultimately depends on the quality of interrelations between the microeconomic and macroeconomic determinants (Liu and Hsu, 2009 cited by Herciu, 2013). Porter's diamond of competitive advantage can also be used to ascertain if clusters exist within specific industries.

Schiele (2008, p. 30) argues that when "several producers of a particular product, their specialized suppliers, customers who anticipate international trends and supporting organizations, such as educational institutions or associations, agglomerate on a national or even a regional basis within a country" and cooperate with each other, a cluster exists. "Companies anchored in such clusters can yield, on average, higher productivity than isolated companies and also benefit from greater innovative strength. Consequently, they are more profitable." The competitive success of a firm is thus influenced by a firm's location and operating environment as well as by the quality of management actions undertaken to address the opportunities and threats present within the cluster (Schiele, 2008, p. 31)

In what way can the assets and capabilities at hand be applied in order to identify and outperform direct competitors already providing their services to the German food/chemical market?

Resources which comprise the potential for generating a competitive advantage, fulfil all of the characteristics given in section 2.1 and can therefore act as resource position barriers, impeding competing firms to catch up and thus affecting their profitability adversely. (Wernerfelt, 1984) Michael E. Porter (1979, p.137), claims that "in the fight for market share, competition is not manifested only in the other players. Rather, competition in an industry is rooted in its underlying economics, and competitive forces exist that go well beyond the established combatants in a particular industry." According to him other critical forces that influence the profitability of a company within an industry, besides the rivalry among existing direct competitors, are: the threat of new entrants, the bargaining power of both, buyers and suppliers as well as the threat of substitute products and services. (Porter, 1979) Nevertheless, especially in strongly dynamic markets, a company's competitor identification capabilities remain to be of utmost importance for success.



By combining “a relational view, a capability-based approach, and a managerial cognition view to predict competitor identification Wu & Olk, (2014, p. 2106) found that „strong customer ties have a positive impact on competitor identification, firm-specific technological advantage has a negative impact, and the interaction of the two positively relates to competitor identification as does having greater local knowledge.“

Thus, rather than solely accounting for activities of the current direct competitors already present in the three German target industries, it is advisable to also take the threat of new entrants and substitute products as well as the bargaining powers of suppliers and buyers into account. Furthermore, it can be stated that in regard to superior service delivery, adopting a long-term, market-oriented perspective as suggested by Narver & Slater (1990), appears to be most convenient.

What are the German customers' buying behaviour, perceived value and requirements like and how can Tebodin use the identified prerequisites to create and measure superior customer value-in-use as market-based asset?

In the literature the term ‘perceived customer value’ is mostly defined as: the difference between the perceived benefits received by the customer and the sacrifices in terms of price paid, costs incurred and efforts spent to acquire the product, relative to the customer’s expectations and requirements. (Geraerds, 2012; Narver & Slater 1990; Lapierre, 2000)

While the majority of studies rather emphasize the value creation in favour of the customer party, Walter, Ritter, & Gemünden (2001, p. 366), “understand value as the perceived trade-off between multiple benefits and sacrifices gained through a customer relationship by key decision makers in the supplier’s organization.“ According them “those benefits and sacrifices can result from the relationship under question as well as from connected relationships on which the focal relationship has an impact or is effected by those other relationships.”(Walter, Ritter, & Gemünden, 2001, p. 366)

Grönroos (2011, p. 242), integrates these two views and suggests that value creation is mutual. He formulates the following three dimensions to measure the “value a customer can create out of the support provided by a supplier: 1.The effects on the customer's growth- and revenue-generating capacity (a. Business growth opportunities; b. Higher margins through premium pricing); 2. Effects on the customer's cost level (c. Lower operative and/or administrative costs; d. Higher margins through lower operating/administrative costs); 3. Effects on perceptions (e. Increased trust in the supplier; f. Increased commitment to the supplier; g. Increased comfort in supplier interactions; h. Increased attraction of the supplier)”.

“Hence, what should be achieved by providing service is not service for the other party in the business engagement per se, but value for both parties involved in the business engagement. The ultimate goal is to support value creation for the customer and enable value creation by the supplier. Therefore, based on today's emphasis on value-in-use, the goal of business is reciprocal value creation, with service as a mediating factor in this process.”(Grönroos & Ravald, 2009 cited by Grönroos, 2011)

Nenonen & Storbacka (2015), even go a step further arguing that shareholder value is enhanced significantly by customer value proposition. They found that effective customer asset management can lead to: 1. Increased revenues through acquiring and retaining larger numbers of customers; 2. Decreased customer-related costs; 3. Optimised asset utilization in customer relationships and 4. Reduced customer-related risks through the diversification of customer projects and reducing correlations.



In terms of customer perceived value, however the service-dominant logic by Lusch, Vargo, & Malter (2006) suggests adopting a customer-centric and customer-responsive attitude as the key ingredient for (co-) creating superior customer value. This suggestion is also supported by Singh & Koshy (2011, p.80), who found that a long-term relationship is likely to be developed as a consequence of the customers' perceived value created through the supplier's sales personnel, who continuously understand and meet the customers' (un-) expressed, needs, wants and preferences. The service "supplier can also support customer learning by developing processes which take into account the customers capability to learn. The results of the customer learning process are manifested in changes within the customer's attitudes and preferences. Thus, if a supplier's superior value proposition leads to its acquisition of a customer, and as a result of 'value-in-use' the customer has better experiences than with other suppliers, the customer will typically develop a preference for that supplier and engage in repeat purchase." (Payne, Storbacka, & Frow, 2008, p. 88)

Hereby, the "communication process between customers and employees is essential for the formation of satisfaction, since it can result in a mutually held view regarding expectations and performance (Selnes, 1998 cited by Salomonson, Åberg, & Allwood, 2012, p. 146).

Moreover, a study conducted by Ballantyne (2004) states that mutual trust has an opportunity to develop in dialogical interaction, given the emphasis on listening, asking questions, and reacting on the meaning of the information gathered as a basis for further interaction. Besides the interaction with and responsiveness of the company's customer-oriented employees, several other value creating activities play an important role in building high-quality relationships with customers. "Innovation capability for example can be regarded as a core value-creating capability, since it allows B2B firms the consistent creation of superior value through providing new performance attributes that fulfil key customer needs better than existing offerings" (O'Cass & Viet Ngo, 2012, p. 128).

All in all, it can be stated that in order "to become a market driving supplier, the simultaneous and gradual development of marketing knowledge absorptive capacity, organizational competences and network competences is of utmost importance". (Berghman, Matthyssens, & Vandenbempt, 2006, p. 970) Various researchers have established several theories concerning value (co-)creation, customer satisfaction, relationship quality and customer commitment in B2B operations. Based upon the different theories developed by Walter, Ritter, Müller, & Helfert (2003); Rauyruen & Miller (2007); Chang, Wang, Chih, & Tsai (2012); Singh & Koshy (2011) and Čater & Čater (2010), the following two general levels of value creation sources have been determined to adequately measure the perceived customer value for the current case study of Tebodin. On one hand there are the functional value creation activities performed by the supplier. Within this category the perceived customer value is measured by taking the following seven aspects into account: a) Service quality; b) R&D, Innovation capability; c) Total Cost of Ownership reduction; d) Additional value generated; d) Willingness to invest; e) Knowledge transfer; f) Technical support. On the other hand there are the so-called relational value creation activities, where the perceived customer value is measured in terms of: a) Supplier's customer orientation and responsiveness; b) Trust in supplier's employees; c) Quality of interaction; d) Cooperation; e) Information flow / Communication; f) Commitment; g) Overall satisfaction.



What would be applicable market entry and marketing strategies and the investment associated with promoting and positioning the engineering and consultancy services on the German market?

Upon expanding their business operations to foreign markets, firms are free to choose from a variety of entry modes ranging from “licensing and franchising, through exporting (directly or through independent channels), to foreign direct investment (joint ventures, acquisitions, mergers, and wholly owned new ventures).” (Rasheed, 2005, p. 44) The different “entry modes vary in the degree of control the firm has over invested tangible and intangible resources, and the transactions costs associated with that resource commitment”. (Anderson & Gatignon, 1986; Domke-Damonte, 2000 cited by Rasheed, 2005, p. 44) Due to the fact that in terms of exporting, all activities are located domestically and are administratively controlled, it remains to be the entry mode which comprises the highest degree of control, whereas the associated transaction costs are minimal. In contrast, foreign licensing activities are located abroad and are contractually controlled, while foreign direct investment (FDI) is foreign located and administratively controlled. (Rasheed, 2005)

Pehrsson (2008), applied the RBV to identify the key drivers of international strategy implementation. Through exploring the relations between business relatedness and type of corporate control, as well as between corporate international experience and type of corporate control, he researched industrial companies’ practices to enter foreign markets. Within this context, business relatedness and corporate international experience were considered as resources exploited by internationalisation. Studying Swedish firms, present in the German market, he found that “industrial firm’s selection of mode of entering foreign markets is affected by the firm’s international strategy, where business relatedness and corporate international experience are key ingredients.” (p. 138)

A slightly divergent view towards market entry modes has been adopted by López-Duarte & Vidal-Suárez, (2013), who explored to what extent different external factors related to the diversity of two countries, such as economic, geographical and linguistic distance may condition the role that cultural distance (CD) plays in regard to the choice of entry mode. Based on their findings they identified “language difference as a main factor driving the choice between wholly-owned subsidiaries (WOSs) and joint ventures (JVs). The results also hint at the existence of an interaction effect between informal and formal sources of external uncertainty (cultural distance and political risk (PR₁), leading to a preference for JVs over WOSs when the environment is characterized by both high PR₁ and CD”. (p. 2259)

Complementing to the preceding theories, Lu and Beamish (2001 cited by Rasheed, 2005, p. 5), found that although “both equity and non-equity based modes of entry have the potential for increasing financial performance, exporting had a negative effect on financial performance. Conversely, foreign direct investment had a curvilinear effect on financial performance, such that firm performance declines with initial FDI activity and improves with greater FDI activity.”



What amount of revenue will have to be generated by the investment undertaken to enter the German market in order to increase the asset value and profitability of the company?

According to Magni (2015, p. 855), “the analysis of economic performance of capital asset investments is a matter of central importance in corporate finance, engineering economy and, in general, managerial science”. Mellichamp (2013) additionally points out that before undertaking any venture, every company has to decide how much capital it is willing to put at risk between the start of the project and the moment when cash flows become positive.

The valuation of new business opportunities is often associated with the estimation of an extensive amount of information. Magni (2015) constructed a general framework aiming for full utilization of the critical information provided in the pro forma financial statements. Moreover, Magni (2015, p. 865) figured out that “the considerable amount of information gathered by pro forma financial statements can be used for accomplishing an economic analysis.” In this case the AIRR approach, is used “to show that accounting metrics such as the Return on Equity (ROE), Return on Debt (ROD) and Return on Assets (ROA) bear significant relations to the project NPV. They supply additional information as to how value is created and how equity and debt interact in generating value.” In addition, Magni shows how to gather varying WACCs to obtain a single project WACC, which combined with the project ROA, determines value creation or destruction.

Based on the return on marketing approach (Rust, Zahorik, & Keiningham, 1995 cited by Streukens, van Hoesel, & de Ruyter (2011), which suggests that marketing investments should improve a firm's financial performance via improvements in customer evaluative judgments, Streukens, van Hoesel, & de Ruyter (2011), established a decision-making model that can be used to optimize and evaluate marketing investments in a customer-oriented and economically feasible matter. By integrating on one hand the foundations of customer evaluative judgments (value, trust and satisfaction), the customer retention probability, customer monetary value and on the other hand the revenues and costs associated with the particular marketing investment, they arrived at a basic framework for evaluating mutually beneficial customer relationships, considering the following “investment issues: (1) what is the optimal level of marketing investment effort to maximize profitability; (2) what is the projected return on investment for a specific investment initiative; (3) how should we optimally allocate the investment efforts over the drivers; and (4) how risky is the projected investment strategy”(p. 155)



2.2 Public and Scientific Relevance of the Research

The strategic management tool developed and the subsequent case study concerning the German market entry of Tebodin Netherlands B.V., are primarily meant to complement the recent research findings of Nenonen & Storbacka (2015). Recognising that superior value proposition to foreign markets not only enhances customer value, but also the value of the supplying company, the developed strategic management tool integrates two different managerial perspectives. By applying the recent findings of Nenonen & Storbacka (2015), in the context of strategic geographical market expansions the given theory not only takes relevant strategic marketing concepts regarding RBV analysis, industry analysis, customers' perceived value and value-in-use, and cultural issues into consideration, but also embeds these aspects into a financial valuation setting, accounting for the project's contribution to shareholders' value.

Thus, the current research ultimately results in a verified conceptual framework that can be utilized by several companies for realizing market development projects successfully, while contributing to bridge the theory-practice gap in marketing value-based business solutions. (Möller & Parvinen, 2015).



3

METHODOLOGY & RESEARCH DESIGN

3.1 Methodology

The company's assets and capabilities bearing the potential to deliver superior value-in-use to the targeted customers	Current situation in the target market/ segments planned to be developed	Direct competitors already providing products/ services to target customers	Perceived value, requirements and buying behaviour of targeted customers	Market entry & marketing strategies applicable for the targeted market expansion and estimation of the associated marketing investment	Estimation of asset value increase generated by the marketing investment related to the current market expansion
<ul style="list-style-type: none"> ✚ Analysis of the company's off-balance sheet assets ✚ Analysis of the company's on-balance sheet assets ✚ Identification of the company's intangible assets valuable for the targeted market expansion ✚ Identification of the company's weaknesses bearing the potential of jeopardising the market expansion ✚ Identification of the company's resources valuable for realising the market expansion 	<ul style="list-style-type: none"> ✚ Analysis of the macroeconomic environment within the target country ✚ Analysis of the general conditions as well as the market potential within the different targeted industries ✚ Identification of the most attractive market segments to enter and develop ✚ Identification of relevant segment clusters ✚ Identification of the opportunities that the target market offers for the products/ services of the company 	<ul style="list-style-type: none"> ✚ Identification of the company's direct competitors present in the target market planned to be developed ✚ Identification of the strengths of the direct competitors ✚ Identification of the company's opportunities to outperform the competitors present 	<ul style="list-style-type: none"> ✚ Analysis of the buying motives of the potential target customers ✚ Analysis of the attributes that the targeted customers perceive as valuable ✚ Identification of the potential customers' preferred supplier KPI's ✚ Analysis of the composition and the way of orientation of the customers' DMUs ✚ Identification of the of the significance of TCO for the purchasing decision ✚ Identification of the company's opportunities to meet the requirements of potential customers 	<ul style="list-style-type: none"> ✚ Identification of the marketing and market entry strategies most appropriate for realising the targeted expansion, taking the results of the analyses of the internal and external analyses into account ✚ Determination of a marketing budget applicable for promoting and positioning the company's products/ services in the target market taking the results of the analyses of the internal and external analyses into account 	<ul style="list-style-type: none"> ✚ Estimation of the amount of monetary resources the target customers are expected to invest in the following period ✚ Estimation of the revenue the marketing investment is expected to generate in the following period ✚ Evaluation of the profitability of the marketing investment undertaken by means of the suggested method ✚ Identification of the degree the company's value can be increased by undertaking the market expansion investment

Table 1: Overview of the different components of the developed strategic management tool and the underlying analyses these components incorporate



3.2 Research Design

In order to generate valuable conclusions regarding the current case study of the German market entry of Tebodin Netherlands B.V. and to answer the stated sub-questions adequately, it has been decided to apply a mixed-research design. Within the research design adopted, the qualitative components remained to be the primary data collection approach, while quantitative data collection played a subsidiary role, being only applied to: 1) triangulate (seeking convergence and corroboration of results from different methods and designs by studying the same phenomenon); 2) complement (seeking elaboration, enhancement, illustration, and clarification of the results from one method with results from the other method); 3) initiate (discovering paradoxes and contradictions that lead to a re-framing of the research question); 4) develop (using the findings from one method to help inform the other method); and 5) expand (seeking to expand the breadth and range of research by using different methods for different inquiry components) the data gathered in the preceding research phases. In terms of the sequence of data collection, it can be stated that all qualitative data has been collected first, followed by the collection of the necessary quantitative data, in order to reach the desired research depth. (Greene, Caracelli, & Graham, 1989; Bryman & Bell, 2011; Johnson & Onwuegbuzie, 2004; Morgan 1998)

Moreover, adopting a qualitative, exploratory research approach, as suggested by Carayon et al. (2015) appears to be applicable in this case. In this particular approach, secondary as well as primary data collection methods are combined in such a way that divergent research viewpoints as well as applicable analysis techniques can be applied adequately to the various stages of the research process. Accordingly, “micro-ethnographic” (Bryman & Bell, 2011, p. 427) analyses have been conducted, which comprised both, participant observations as well as analyses of all relevant company documents, either unpublished or published. Using the term of micro-ethnography, as it has been defined by Wolcott (1995), appears to be most applicable in this context, since all participant observations and analyses of documents have been performed, particularly in the light of the usefulness for entering the German market successfully. (Bryman & Bell, 2011)

Upon executing the participant observations, the researcher “immersed him or herself in a group for an extended period of time, observing behaviour, listening to what is said in conversations both between others and with the fieldworker and asking questions.” (Bryman & Bell, 2011, p. 426) Moreover, further field research has been performed by means of a focus group interview in order to triangulate the gathered data and to validate the rigor of the previous analyses.

Ultimately, a quantitative research approach in form of a structured survey questionnaire, suitable for conducting telephone interviews, has been applied to triangulate, complement, develop and expand the previous qualitative research data collected before. Adopting this particular research design of method triangulation, in which more than one method or source of data is used to study social phenomena, offers manifold benefits. Besides enabling the researcher to generate a larger data base, it also seeks convergence and corroboration of results and allows further de-coding and interpretation of the gathered data. Furthermore, triangulation of methods leads increased validity and reliability through generating additional methodological rigor. (Bryman & Bell, 2011; Greene, Caracelli & Graham, 1989; Frey & Fontana, 1991)

The theories and concepts that have been considered as relevant for conducting the current design research and that have been reviewed in the preceding chapter have been operationalised as follows:



3.3 Operationalization

Which assets and capabilities does Tebodin B.V. have at its disposal that bear the potential to deliver superior customer value-in-use for German industry customers?

Basic statistical terms in Qualitative Research: Reliability and Validity

Several researchers such as e.g. Lincoln & Guba (1985), Leininger (1994), or Rubin & Rubin (1995) “suggested adopting new criteria for determining reliability and validity, and hence ensuring rigor, in qualitative inquiry.” (cited by Morse, Barrett, Mayan, Olson, & Spiers, 2002, p. 2). Referring back to “Guba’s (1981) early writings” Morse et al. (2002, p. 14), claim that while the term of trustworthiness, which has been introduced by Guba and Lincoln (1981), “bridges both reliability and validity concepts, the criteria they suggest still do not apply to all qualitative methods. For instance, Guba and Lincoln’s confirmability is not pertinent to phenomenology, nor for postmodern philosophies such as feminism and critical theory in which the investigator’s experience becomes part of data, and which perceive reality as dynamic and changing.”

In contrast, Morse et al. (2002, p. 14) emphasise “a return to validity as a means for obtaining rigor through using techniques of verification.” In the context of qualitative research the term verification can be defined as “the mechanisms used during the process of research to incrementally contribute to ensuring reliability and validity and, thus, the rigor of a study.” (p. 9) Being aware of the fact that “refocusing the qualitative research process to verification strategies is not without profound implications”, as for example the enhancement of the researcher’s responsiveness to data and the constant reminder of the researcher’s responsibility to be proactive, in order to ensure rigor, the formerly named authors established the following framework for verifying qualitative data (pp.10):

- ❖ *Methodological coherence*: ensuring congruence between the research question and the components of the method. The interdependence of qualitative research demands that the question match the method, which matches the data and the analytic procedures.
- ❖ *Sampling sufficiency*: sample consisting of participants who best represent or have knowledge of the research topic. This ensures efficient and effective saturation of categories, with optimal quality data and minimum cross.
- ❖ *Concurrent data collection and analysis*: forms a mutual interaction between what is known and what one needs to know. This pacing and the iterative interaction between data and analysis is the essence of attaining reliability and validity.
- ❖ *Thinking theoretically*: Ideas emerging from data are reconfirmed in new data; this gives rise to new ideas that, in turn, must be verified in data already collected.
- ❖ *Theory development*: move with deliberation between a micro perspective of the data and a macro conceptual/theoretical understanding. In this way, theory is developed through two mechanisms: (1) as an outcome of the research process, rather than being adopted as a framework to move the analysis along; and (2) as a template for comparison and further development of the theory.
- ❖ *Investigator responsiveness*: the researcher’s creativity, sensitivity, flexibility and skill in using the verification strategies that determines the reliability and validity of the evolving study.



Ethnographical analyses

The theories and concepts developed by Barney (1991) and Laitinen (2006) acted as a fundamental base for the identification of the company resources which appear to be valuable for entering the German market. In line with those theories, different process analyses have been performed by gathering data through integrating participant observation as well as different analyses of internal and public organisational documents. The operationalised analyses framework finally comprised the following aspects:

Off-balance sheet company assets:

- ❖ Company structure
- ❖ Analysis of the company's service delivery process
- ❖ Analysis of the company's current operational strategies
- ❖ Analysis of the company's human resources strategies
- ❖ Analysis of the company's current marketing strategies
- ❖ Identification of other company resources of added value

On-balance sheet company assets:

- ❖ Analysis of the company's financial resources applying conventional financial statement analysis and calculating meaningful ratios.

In regard to the ethnographic approach that has been applied, it can be stated that although all key informants have been informed about the fact that the researcher's task is to conduct a study and also about the purpose of it. Yet, it is worth mentioning that the research approach has been rather unobtrusive, since it can be assumed with a high level of confidence that the fact of being constantly observed over an extended period, while executing processes, did not enter the awareness of the key informants and subjects in the particular situation of observation. Thus, the research bias of participant reactivity could be reduced to a minimum, through adopting this research approach, leading to higher validity. Furthermore, random error - resulting from e.g. guessing of key informants, misunderstandings, variation in performance due to the occasion or variations in researcher evaluation of different situations - has been significantly reduced. Through observing and analysing the internal processes and procedures repeatedly, talking to key informants various times in divergent situations and settings over a longer time period and building rapport the validity of the observations has been increased considerably. In addition, the following validation strategies have been applied:

Validation strategy	Measure ensuring validation
Methodological coherence	Ethnographic approach consisting of participant observation and document analysis to identify the company's valuable resources
Sampling sufficiency	Key informants: Employees fulfilling different functions within the firm
Concurrent data collection and analysis	Use researcher's responsiveness to evaluate the data already gathered decide which data is still required and asking questions accordingly
Thinking theoretically	Integrated approach of participant observation, document analysis and focus groups.
Theory development	Drawing valuable conclusions about findings and translating them into a general framework

Table 2: Measures to increase validity of ethnographical data

For further validation of the ethnographic analyses performed a focus group session has subsequently been scheduled.



Focus group

Frey & Fontana (1991) agree that any form of group interview is very much suitable to validate multiple data gathering techniques, since it is considered to “triangulate the data of formal methodological techniques by adding to them the human element of the voices of multiple subjects”. Furthermore, group interviews contribute to the preceding micro-ethnographic analyses, through lending methodological rigor to the one-on-one interpretive nature of ethnographic reports by offering cross-referenced multiple opinions stemming from its group nature. (Frey & Fontana, 1991) Accordingly, it has been decided to complement the gathered data by executing a focus group discussion, to validate the strength of the preceding micro-ethnographic analyses that has been conducted through observing processes and procedures and analysing company internal documents and papers.

Sampling method

In order to generate a vital discussion, including participants with divergent viewpoints, experiences, values and fields of operation triggering each other, employees from different departments have been invited to join the focus group. By utilizing a snowball sampling method as suggested by Biernacki & Waldorf (1981) seven participants, from the relevant Tebodin departments have been sampled on purpose. Upon sampling appropriate participants, the employees’ professional expertise and area of responsibility within the company remained to be crucial aspects. Thus, the participants were heterogeneous in regard to their field of expertise and homogeneous concerning their corporate affiliation. Furthermore, the adopted group size of seven participants was within the ideal size of 4-8 people (Kitzinger, 1995). The following participants have been selected:

Participant Code	Position in the company
Participant A	Marketing & Communication
Participant B	Business Development Food
Participant C	Public Relations Manager
Participant D	Project Control Engineer
Participant E	Manager Projects
Participant F	Manager Procurement
Participant G	Regional Director

Table 3: Focus group participants

Research approach

During the preparation phase, all selected participants received an official invitation via email approx. four weeks before the scheduled session. The invitation contained information regarding the main research objective and the setting of the planned focus group session. In addition, all participants received seven basic questions concerning their opinion about the valuable resources and capabilities of Tebodin Netherlands B.V. that can be applied to deliver superior value to the German target customers and thus, develop the German market successfully. The participants were asked to answer the following questions within a timeframe of 10 days and send their responses back to the researcher via email.



1. Think back at the time when you started working for Tebodin, what were the compelling reasons why you wanted to work for this particular company?
2. When these first impressions are transferred to the German market expansion, what would probably be the first impression that the German customers would get of Tebodin in the first contact?
3. Would these aspects also be the valuable strengths that Tebodin has at hand for proposing superior value on the German market?
4. What aspects did German customers value most during past order executions?
5. Are they similar or divergent from those which are valuable in the Netherlands?
6. What can Tebodin do better than its competitors and why?
7. What are potential challenges that will have to be faced when selling our services on the German market?

One day before the stated deadline the participants were contacted by phone or email (in case they couldn't be reached by phone) to remind them of their duty to answer the received questions before the due date, in order to make it an effective session for all participants involved. The primary reason why the researcher decided to already send the basic questions given above, together with the invitation was to stimulate the participants to already think about the topic beforehand, so that a fruitful discussion, beyond the standard arguments, could evolve within the limited discussion time panel.

The discussion topics and scenarios addressed during the focus group discussion session were based on business dilemmas that are reflective of real-life business situations or scenarios. The focus group discussion has been scheduled for two hours and consisted of two activities, a warm-up activity and a main activity. For the warm-up activity, the various answers received from the different participants were translated into 28 company strengths according to the participants' opinions.

Furthermore, a highly experienced project director (not attending the focus group) has been consulted and was asked to state common problems that might occur during the first contacts with a new client and also during the execution of the project. The thoughts and opinions of the project director have then been translated into 21 problems. Subsequently, 49 puzzle pieces (28 green strength puzzle pieces and 21 red problem puzzle pieces) have been designed. During the session participants were asked to match the strengths named beforehand, to a particular problem that can, according to their opinion, be solved through using the strength. For the main activity a fictive business case has been created.

The created business case of the German fictive dairy company, "Die Milch macht's" acted as cornerstone for the main discussion activity. (See appendix I) Complementing the business case a portrait of the managing directors of the company, Ms Maier and Mr Müller Schmidt, has been prepared. The primary task for the main activity was to find compelling arguments and company strengths to convince the directors that Tebodin will be the right party to team up with, for executing the current project. On the basis of the underlying discussion topic and the received responses of the participants, the researcher prepared five different envelopes. These envelopes contained four counterarguments stated by the directors of the fictive party, in reaction to standard strengths named, as well as one resolution statement. These statements have been formulated on purpose being aimed to confront the participants with German cultural habits, animate the participants to think deeper about the topic and to stimulate further discussion beyond the standard phrases striving for arguments that are really fruitful on the German market.



Lead discussion topic	Counter statement
Standard Strengths	We actually expect all the business partners we deal with to be professional, flexible, experienced, honest, reliable, solution-oriented, committed and able to deliver outstanding results. We do not consider these aspects as strengths, but rather as pre-conditions. If we would not expect these things from our specialised partners we would not entrust an external party with such an important project.
Competition	All your arguments are comprehensible, but I still do not really see why your services are unique or superior compared to the EPCM services offered by your German competitors. However, what I see is that selecting a domestic competitor who is within may reach offers a lot of advantages.
Building Trust	It might be the case that you are very much experienced and experts in execution such dairy engineering projects and that you really deliver great results, but the point that I am struggling with is that if you offer executing food projects at the latest state of technology and are enjoying a good international reputation why do I not recognise your company name?
Communication & Understanding Customer Requirements	Unfortunately, the concepts that have been presented so far did not quite convince us yet that you are the one and only partner for this particular project. In regard to some aspects we had a totally divergent perception of what elements would fulfil our needs and thus, also what the new building should look like. Furthermore, these concepts are totally different to what we are used to.
Resolution	Alright I see, the arguments that you just gave are quite convincing for this stage of the project contracting. We will discuss internally and will inform you as soon as possible about the further procedure.

Table 4: 5 Discussion stimuli (counterarguments in envelopes)

Moreover, participant process consent forms (see appendix II) have been prepared. These consent forms contained detailed information about the primary objective of the focus group session, the context in which gathered information will subsequently be used, the basic ground rules of the scheduled focus group session, the (video) taping procedure that will be adopted during the session as well as confidentiality statements for both the researcher and the seven participants. All participants had to sign this process consent form before the start of the session.

Ultimately, a folder has been prepared for every participant, containing: the fictive business case, the participant consent form, a detailed session agenda (incl. procedure), pad & pencil, a coloured envelop comprising four of the 28 strength puzzle pieces that have been prepared and had to be match to the problem puzzle pieces by the particular participant.

Research setting

The group has been led by a facilitator whose job it was to keep the conversation going in the right direction. Before the start of the session the facilitator distributed each participant's folder as well as the name tags and little welcome treats for every participant, according to the predetermined seating arrangements. Furthermore, the prepared problem puzzle pieces have been distributed in the middle of the round table. The breakfast buffet and refreshments have been arranged in such way that they, while creating a warm, welcoming atmosphere, do not disturb the course of the discussion. Moreover, the research objective has been projected via the beamer, so that it has been clearly visible for all participants. Furthermore, the moderator prepared the flip chart, where the agreed main strengths of the company have been noted. Ultimately the video equipment has been put at the predetermined position.



The facilitator got the order to rather act as a reluctant listener during the session, directly addressing, prompting or mirroring participants only, if necessary for clarification or to keep the discussion going. Furthermore, the moderator was asked to keep discussion intervention to a minimum, jumping in only if the group gets side-tracked and summarizing the group's thoughts, asking for confirmation, if she thinks that an agreement on a certain point has been reached.

At the beginning of the discussion the facilitator welcomed all participants warmly and expressed her appreciation for the participant's willingness to volunteering their time and to support the researcher with the identification of valuable resources. Furthermore, the session procedure as well as the ground rules for the session have been introduced to the participants. The facilitator pointed out that there are no right or wrong answers and that the facilitator will only jump into the discussion for clarification purposes or to get the participants back on track were necessary, rather than leading the discussion, since the facilitator/researcher is aimed to learn from the participants, instead of being the teacher. After all participants had signed the participant process consent form, records were started and the session began.

During the first activity, which has been scheduled to last approx. 20-25 minutes, the participants were asked to walk around the table and match the strength puzzle pieces, they found in their coloured envelop in their folder, to the particular problems on the table. The respective strengths should be matched to the problems of which the participant thought that it could be solved by applying the strength. As soon as the puzzle pieces have been matched, single participants were asked by the facilitator to elaborate on their matches, formulating their thoughts and opinions. Subsequently, all other participants were asked for contradicting views and opinions, in order to stimulate the discussion.

As soon as agreement has been reached among the participants that a key strength of Tebodin has just been identified, the facilitator wrote the strength on a flip chart so that it was clearly visible for everyone. Spontaneously, the facilitator opened a second flip chart paper where the remaining tasks were noted. After the first discussion phase the group had a 20-minute breakfast break. After the break one hour was left for the main discussion.

At the start of the second phase of the discussion session, the facilitator introduced the group to Ms Maier and Mr Müller Schmidt, the managing directors of the fictive dairy company "Die Milch macht's", who were projected via the beamer. Similarly, the facilitator drew the participants' attention on the business case in their folder and asked all of them to take 5 minutes and read it. The following task was then to give compelling arguments and to convince the managing directors of the potential customer that Tebodin is the right partner to team up with, in order to realise the given project.

In regard to the supporting documents in the participant folders, it can be stated that all supporting documents used have been prepared in clear English language and have been formulated in a neutral manner. Thus, any misunderstandings, misinterpretations or discrimination has been avoided. Furthermore, all supporting documents used have been formulated in easy language, understandable and familiar to all participants. However, due to the fact that all participants have been sampled by purpose based on their professional expertise and originate from the same working environment, a certain degree of industry-specific, professional jargon has been included on purpose in order to express appreciation for their expertise and to make them feel more comfortable.



Focus group essentials	Measure ensuring the essential
Well-prepared facilitator	Moderator guide
Confidentiality	Participant process consent form; ground rules
Open, warm atmosphere	Round table; Breakfast buffet; refreshments; confidentiality agreement; ground rules; process consent form.
Objective is clearly understood	Objective has been stated in the invitation and at the beginning of the session. Furthermore, it has been projected via the beamer during the session, visible for everyone.
Active participation	Confidentiality agreements; ground rules; process consent form; research approach and setting that stimulates participant interaction; customised real-life scenarios and cases which every participant can relate to; facilitator who prompts and addresses participants directly when considered necessary.
Authenticity and openness	Sound participant selection; open, warm atmosphere, refreshments, confidentiality agreement; ground rules, participant consent form; research approach containing customised real-life scenarios and cases which every participant can relate to
Free flowing dialogue	Sound participant selection; open, warm atmosphere, confidentiality agreement, ground rules, participant consent form, research approach and setting that stimulates participant interaction; customised real-life scenarios and cases which every participant can relate to reluctant facilitator stimulating participants to interact.
Room for interaction	Sound participant selection; open, warm atmosphere, confidentiality agreement, ground rules, participant consent form, research approach and setting that stimulates participant interaction, reluctant facilitator stimulating participants to interact.
Ability to analyse the session	Video equipment; Voice recording

Table 5: Focus group essentials

Validation strategy	Measure ensuring validation
Methodological coherence	Aim of the focus group: Identification of the company's resources and strengths considered as valuable to enter the German market successfully; The goal of the session has been communicated clearly prior to the session and also constantly during the session, both orally and visually.
Sampling sufficiency	Participants: Employees that fulfil different functions within the firm have been purposively selected based on their knowledge, their expected valuable contribution to the existing data and personal characteristics.
Concurrent data collection and analysis	Use of researcher's responsiveness to evaluate the data already gathered, decide which data is still required and develop a customised research setting consisting of realistic scenarios which every participant can echo and which emphasised aspects like rapport building, openness, honesty, respect, engagement, ambition, active participation, intensive inter-action and creative thinking.
Thinking theoretically	Integrated approach of participant observation, document analysis and focus groups.
Theory development	Drawing valuable conclusions about findings and translating them into a general framework

Table 6: Measures to increase validity of focus group data

Equipment: Beamer & Laptop (Research objective and company case projection), Video equipment and audio tape (for recording), Flip chart paper, (to write down outcomes or to park thoughts), Welcome folder for each participant (Containing: Agenda, Participant consent form, Business case, Pad & Pencil, variegated envelopes containing for strengths puzzle pieces each), Problem Puzzle pieces (for warm- up activity on table), envelopes (with predetermined customer statements for main activity), Moderator guide, Name badges, Timer (to time each section), Refreshments & Breakfast buffet.



Data analysis techniques

By operationalising the analysis techniques suggested by Richard A. Krueger, the following approach has been developed and applied to analyse the data gathered during the focus group session. After having transcribed the various tapes that have been shot during the session, the entire transcription has been filtered for the most relevant thoughts, opinions and experiences of the divergent participants. Furthermore, all participants' responses have been decoded and categorised according to major discussion topics that have been identified. Subsequently, the frequency with which every defined discussion topic had been broached, has been counted.

In the next step, different scores and weights have been assigned to the various answers according to the extensiveness and specificity of the responses. In regard to the extensiveness of the different responses, answers with low extensiveness, where the participants only stated their opinion without further explanation or examples, received a score of 1, whereas highly-extensive answers scored 3 points.

In regard to the specificity of the different responses: a) assumptions made were weighted 0,5 times, b) own opinions of the different participants were weighted 1 time; c) own experiences of the participants were weighted 2 times and d) facts were weighted 3 times.

Afterwards, an overall score, comprising the individual specificity and extensiveness scores as well as the discussion frequency, has been calculated. Furthermore, the word usage of the different participants as well as the similarity in wording among participants has been analysed. Ultimately, the degree and the quality of participant interaction during the different discussion phases have been evaluated, by determining the stimuli which triggered each individual participant to make this particular comment or statement at that point in time.

What is the current situation in the German target markets and in what way can the assets and capabilities at hand be applied to enter the German market successfully?

Market environment

In terms of the analysis of the German market environment, it has been decided to integrate the PESTLE model, the porter's diamond model and the cluster theory developed by Schiele (2008), in such a way that a comprehensive analysis of the current market conditions can be performed. Furthermore, the numerous databases and information published by the "Statistisches Bundesamt", the various German "Landesämter" and the "Regionaldatenbank", different market analyses have been performed. Considering aspects such as: the attractiveness of Germany as a country for the case company, the German manufacturing industry and the significance, potential and structure of the German food, chemical and pharmaceutical sector, performed analyses delivered useful data for each industry market level.

Furthermore, industry-specific information about the various different food sectors has been analysed by means of external sources such as documentation and databases of relevant associations, institutions, city councils, communes, counties, industry-specific forums, or professional journals. Based on the data gathered, general conclusions could have been drawn concerning the geographic location of the various food companies, the presence and location of food clusters as well as the market potential within certain federal states resulting thereof.



Accordingly, the numerous food segments and their expected potential in regard to the services offered by the case company have been evaluated based on the following criteria:

- ❖ Industry structure
- ❖ Growth potential
- ❖ Location of potential customers
- ❖ Trends and concerns

In what way can the assets and capabilities at hand be applied in order to identify and outperform direct competitors already providing their services to the German food/chemical market?

Competitor identification and analysis

Based on the concepts that have been developed by Porter (1979) and Wu & Oik (2014), it has been decided to analyse the engineering companies already operating in the German market, by taking the available published data into account. The published data reviewed during the research comprised e.g. brochures, websites, financial statements, press releases, articles in journals, past business activities, and other published information. Based on the information available, the German direct competitors have been identified by means of criteria such as: range of services provided, the target industries served, or the company's location. Subsequently, the strengths of the different competitors have been evaluated based by means of a on predetermined characteristics like: company size, the company's service range, the variety of market segments served, the company's local presence measured by number of German subsidiaries, the company's current marketing and promotional activities, the company's proactivity, the company's internationality measured by the number of international subsidiaries, the company's resources and the company's experiences measured by the number of years in business as well as the company's references. Ultimately, a competitive profile matrix (CPM) has been established.



What are the customers' buying behaviour, perceived value and requirements like on the German market and how can Tebodin use the identified prerequisites to create and measure superior customer value-in-use as market-based asset?

[Quantitative research questionnaire for potential customers operating in the various food segments in Germany](#)

Sampling

The primary aim of the scheduled quantitative research was to validate the findings resulting from the preceding research stages and to explore the attributes, on which the target customers of Tebodin place most value. In order to be able to interview approximately 50 potential customers, a total sample of 150 potential customers has been drawn from the member lists of the various industry-specific associations present in the German food sector. By sampling three times as many subjects as required, it can be ensured that the necessary amount of data can be generated, minimising sampling error occurring due to non-response, assuming a refusal rate of approximately 67%. (Bryman & Bell, 2011) The given sample has been drawn purposively, based on relevant business characteristics such as: the subjects' operational fields, size, profitability, growth potential, past business activities, and investment strategies.

The fact that the formerly described non-probability sampling method has been applied, inevitably leads to some degree of sample bias, since "there is a possibility that human judgement will affect the selection, making some members of the population more likely to be selected than others." (Bryman & Bell, 2011, p. 177) Consequently, the drawn sample is less likely to represent the population and is thus, not generalizable to a great extent. (Bryman & Bell, 2011) However, this sampling method still appears to be the most appropriate sampling method for the purposes of the current research. The primary interest of this study is limited to those manufacturing companies operating in the different food segments, which bear the potential to invest in the engineering and consultancy services offered. Accordingly, it is solely required to draw valuable conclusions about this particular subgroup, rather than about the population. The adopted sampling approach is regarded to reflect the group of interest most accurately and therefore also grants the opportunity to generalise the resulting findings to the subgroup under investigation.

Research approach

A quantitative, structured research questionnaire, especially applicable for conducting telephone interviews, has been designed, in order to further validate the data gathered during the preceding research stages and to gain additional insight regarding the various requirements of the target customers.

Some researchers claim that the execution of telephone interviews displays numerous shortcomings compared to face-to-face interviews. (Bryman & Bell, 2011) Nevertheless the conduction telephone interviews is regarded to be an applicable instrument to gather the additional quantitative data required for the purposes of the current study. Besides their pitfalls, telephone interviews also offer various benefits in comparison to traditional face-to-face interview methods. The utmost benefit of conducting telephone interviews compared to face-to-face interviews, remains to be the cost and time effectiveness of the approach. (Musselwhite, Cuff, McGregor, & King, 2007) Furthermore, this method allows for researching the various respondents relatively easily although they might be geographically dispersed. (Blythe & Zimmerman, 2004 p. 68)



Questionnaire design

The operationalised functional and rational value creating activities, the company's valuable resources that have already been identified as well as the outcomes of the previous external analyses acted as a cornerstone for the development of the quantitative research questionnaire. The developed questionnaire primary consists of summated rating scales, in form of bipolar, 5- choice Likert scales, complemented by binary items and open-ended research questions.

According to Paul E. Spector (1992 p. 1), typical summated rating scales are characterised by the following four aspects: 1. A scale contains multiple items that will be combined or summed; 2. Each individual item measures something that has an underlying, quantitative measurement continuum (measures a property of something that can vary quantitatively rather than qualitatively (vary from favourable to unfavourable); 3. Each item has no right answer; 4. Each item in a scale is a statement and respondents are asked to give ratings about each statement (offering between four and seven response choices). The primary benefit of applying summated rating scales appear to be the great psychometric properties that can be associated with these scales. The fact that each summated rating scale consists of multiple questionnaire items, designed to measure the same construct and thus are expected to correlate with one another, subsequently leads to an increase of internal consistency reliability through item coherences. In addition, multiple items improve reliability through allowing for random error to average out. (Spector, 1992)

Through offering multiple response opportunities summated rating scales additionally allow the researcher to ask various questions concerning different aspects associated with the scale theme and stimulates the participant to really think about the topic. Moreover summated rating scales grant the respondent more freedom to express his thoughts or feelings. Besides that bias resulting from misreading or misunderstanding questions can be reduced significantly, which in turn leads to higher validity. Finally, summated rating scales are cheap and easy to develop and also quick and easy for respondents to complete. (Spector, 1992)

While binary scales are not expected to produce the same degree of precision as summated rating scales, they have been regarded as valuable for performing a general pre-categorisation of the subjects, in order to be subsequently able to follow the line of questions, which is applicable for that particular respondent. Open questions remain to be time-consuming for the interviewer to administer, since interviewees tend to give more extensive answers that have to be especially coded for analysis purposes, which is not only time-consuming, but also includes some degree of subjective judgement. However, adding supplementary open-questions to the summated rating scales is considered to contribute significantly to the validity and reliability of the questionnaire, since respondents can answer in their own terms rather than being forced to choose from pre-determined answers and also explain their answers. Furthermore, open questions allow for deriving unusual responses and tapping the respondent's level of knowledge and understanding about the issue in question. (Bryman & Bell, 2011, p. 249) Ultimately, adding a few open questions to the questionnaire, which complement the closed-ended and binary questions, enables the researcher to perform a check on errors. Thus, adopting this questionnaire design is expected to obtain comprehensive, replicable, and reliably coded answers. (Singer & Couper, 2011)

In order to increase the measurement validity of the survey, the research questionnaire has been constructed in such a way that research bias resulting from unclear item wording, order effects, response sets such as acquiescence, extreme response style or social desirability are reduced to a minimum.



Accordingly, items have been formulated in clear easy language avoiding colloquialisms, or expressions that are too specific. (Spector, 1992; Dooley, compiled by Vos, 2009) Moreover, all items have been especially constructed to only address one idea at a time, avoiding double denial manners and providing logical, definite answer options and ranges, containing all possible answers that the participant would like to give. (Dooley, compiled by Vos, 2009) Furthermore, the line of questioning within the questionnaire goes from posing more general questions about the company and the market to more specific questions in the further course of the questionnaire, also partly dependent on previous answers. By adopting this item order, order effects as described by Dooley, compiled by Vos (2009), can be reduced. In addition, both positively and negatively worded items have been used in order to reduce any bias resulting from response sets such as acquiescence, nay-saying, extreme response style or social desirability. However, upon creating the negatively formulated items, negatives to reserve the wording of the item have been avoided. (Spector, 1992) In order to ensure that the right construct is measured, all questionnaire items have been formulated in the mother tongue of the respondents. Due to the fact that it has been planned to conduct telephone interviews different interests had to be balanced. The questionnaire length that has been finally adopted appears to be a successful compromise between feasibility and reliability.

Scale	Item
Unternehmen	Welche Art von Lebensmitteln stellt Ihr Unternehmen her?
	Wie viele Mitarbeiter beschäftigt Ihr Unternehmen derzeit?
Einschätzung der derzeitigen wirtschaftlichen Lage innerhalb der Branche	In den vergangenen 2 Jahren ist die Nachfrage nach Lebensmitteln dieser Art....
	In den vergangenen 2 Jahren ist der Umsatz unseres Unternehmens....
	Wir sind zuversichtlich dass unsere Branche in Zukunft wachsen wird
	Die Zukunftsaussichten für UNSER Unternehmen schätzen wir positiv ein.
	Der steigende Wettbewerbsdruck macht uns zu schaffen.
Werte des Unternehmens	Bei der Herstellung unserer Produkte spielt die Nachhaltigkeit unserer Produktionsprozesse eine untergeordnete Rolle.
	Bei der Herstellung unserer Produkte verwenden wir ausschließlich modernste Produktionsverfahren
	Eine Beratung bezüglich der Verbesserung der des Energieverbrauchs innerhalb des Produktionsprozesses erachten wir als....
	Unser Ziel ist es die Effizienz unseres Produktionsprozesses kontinuierlich zu verbessern.
	Eine Beratung bezüglich der Verbesserung der Produktionssicherheit erachten wir als....
Unternehmensinvestitionen	Planen Sie in den kommenden 2 Jahren Investitionen bezüglich der Modernisierung, der Erweiterung oder des Neubaus von Produktionsstätten?
	Welche Art von Investition ist vorgesehen?
	In welcher Größenordnung liegen die geplanten Investitionen für Produktionsstätten?
	Wie werden Sie die baulichen Maßnahmen vorrausichtlich realisieren?
	Was sind Ihre Beweggründe für die obige Entscheidung?
	Haben Sie in den vergangenen 2 Jahren Maßnahmen ergriffen um bestehende Produktionsstätten zu modernisieren, zu erweitern oder neu zu bauen?
	Welche (baulichen) Maßnahmen sind durchgeführt worden?
	Wie wurden die Maßnahmen realisiert?
	Was sind die Gründe für die obige Entscheidung?
	Welche konkreten Aufgaben hat das ausgewählte Ingenieurbüro übernommen?
	Mit der Qualität der vom Ingenieurbüro erbrachten Leistungen waren wir.....



Scale	Item
	Was könnte Ihrer Meinung nach an den in der Vergangenheit erbrachten Ingenieurdienstleistungen noch verbessert werden? (Wünsche)
Bewertung der Ingenieurdienstleistungen	Wie verschaffen Sie sich einen Überblick über das Marktangebot?
	Nach welchen Kriterien wählen Sie den optimalen Partner für die Durchführung des jeweiligen Projekts aus?
	Wer trifft in Ihrem Unternehmen letztendlich die finale Entscheidung, an welchen Dienstleister der Auftrag vergeben wird?
Stärken des Projektpartners	Bei der Partnerauswahl spielt die Flexibilität des Anbieters eine entscheidende Rolle.
	In vollem Umfang über den Verlauf des Projekts informiert zu sein ist von großer Bedeutung.
	Alltägliche Probleme im Projektverlauf zu lösen liegt einzig und allein in der Verantwortung der beauftragten Partei.
	Planungsgenauigkeit ist bei Projektdurchführung von allergrößter Bedeutung
	Die Einhaltung des Budgetrahmens spielt für uns eine untergeordnete Rolle.
	Wir sind uns bewusst dass der Begriff EPCM auch sämtliche Beratungsdienstleistungen umfasst.
	Eine Kontaktperson für alle Belange im Partnerunternehmen zu haben ist für uns enorm wichtig.
	Kontinuierlicher, gegenseitiger Informationsaustausch spielt für uns eine untergeordnete Rolle.
	Die Qualität der erbrachten Leistung spielt für uns eine untergeordnete Rolle.
	Die Nationalität des Leistungserbringers spielt für uns eine untergeordnete Rolle.
	Auch auf Projektunterstützende Dienstleistung wie zum Beispiel den verantwortungsvollen Umgang mit Medien legen wir großen Wert.
	Bei der Auswahl des Projektpartners achten wir darauf dass die Partei die den Auftrag erhält in der Nähe des Projektstandorts ansässig ist.
	Das Fachwissen der Partnerpartei spielt bei der Auftragsvergabe eine entscheidende Rolle.
Langjährige Erfahrung spielt bei der Auswahl des Projektpartners eine untergeordnete Rolle.	

Table 7: Summary of customer questionnaire items

Research analyses approach

Due to circumstances that will be described in more detail in chapter seven of this research paper, it has not been possible to execute the scheduled quantitative research during the current research period. However, it is strongly advised to execute the developed research questionnaire in the near future in order to gain even higher validity of the current research findings. In terms of the analysis of the quantitative data collected it is highly recommended to make use of a computer program suitable for quantitative data analyses. The most popular program in this regard appears to be SPSS.

After having assessed the different variables of the questionnaire and having entered the collected data in the variable and data view of SPSS, the program offers various opportunities, tools and tests for effective data analyses.



For an effective analysis of the current data, gathered by means of a quantitative survey questionnaire, the following SPSS tools appear to be most appropriate:

- ❖ Descriptive Statistics (including Frequency tables)
- ❖ Cross tabulations
- ❖ One-Way Anova
- ❖ Simple linear regression
- ❖ Cronbach's alpha

However, upon analysing the data collected it has to be taken into account that items that have been formulated negatively have to be decoded first, in order to generate meaningful data and conclusions. Furthermore, items which allow for multiple answers have to be decoded into multiple variables, before data analyses can be performed. In addition, open-ended questions have to be coded into meaningful categories first, before relevant analyses can be conducted.

What would be applicable market entry and marketing strategies and the investment associated with promoting and positioning the engineering and consultancy services on the German market?

The theories developed by Rasheed (2005), Pehrsson (2008), and López-Duarte & Vidal-Suárez, (2013) have been used as fundamental basis for analysing the different market entry strategies available. Subsequently, the most applicable market segmentation, market entry, as well as the most appropriate marketing strategies have been identified by taking the following aspects into consideration:

- ❖ The company's current position and reputation in the target market
- ❖ The company's valuable resources
- ❖ The current market conditions in the different target segments,
- ❖ The challenges the potential customers currently face and the needs and requirements resulting thereof
- ❖ Cultural aspects and their effect on the target customers requirements, perceptions and behaviour

Ultimately, a preliminary marketing budget for all relevant marketing activities had been identified in the preceding analyses has been prepared



What amount of revenue will have to be generated by the investment undertaken to enter the German market in order to increase the asset value and profitability of the company?

By integrating the concepts established by Magni (2015) with the marketing investment evaluation model developed by” Streukens, van Hoesel, & de Ruyter (2011), a general framework has been developed in order measure the estimated increase in company value generated by the marketing investment that can be associated the current market expansion.

The fundamental equation that has been established for the current purpose measures of the following components in order to calculate the expected profitability of the current marketing investment:

- ❖ Expected customer acquisition rate (ECAR)
- ❖ Expected total customer monetary value spend for the services (ECMV)
- ❖ Customer acquisition rate prior to the current marketing investment (CAR(0))
- ❖ Total customer monetary value spent for the services prior to the marketing investment (CMV(0))
- ❖ Current marketing investment according to marketing budget (CMI)
- ❖ Required return on investment (RROI)

Based on the relevant data available from previous years general assumptions have been made in regard to:

- ❖ The change in total investment volume expected for the next period
- ❖ Share of food, pharmaceutical and chemical company’s located in NRW in the total investment volume of the different sectors
- ❖ Percentage of the total investment volume of the different sectors in NRW which is spent for engineering services
- ❖ Higher RROI is for lower expected customer acquisition rates due to higher customer-related risks through less diversification
- ❖ Investment costs according to marketing budget

Using the developed equation, the expected profitability of the current marketing investment has been estimated by setting up three possible scenarios based on the assumptions made beforehand (Best-case scenario; Most realistic scenario and Worst-Case Scenario).



Operationalization overview

Research stage	Research question	Method used to answer the given research question
Tebodin's assets and capabilities for the German market expansion	<i>Which assets and capabilities does Tebodin B.V. have at its disposal that bear the potential to deliver superior customer value-in-use for German industry customers?</i>	Micro-ethnographic analyses (participant observations / analyses of relevant internal and external company documents), of the company's: structure; service delivery process; current operational, human resources and marketing strategies, financial resources, other company resources of added value and the weaknesses Validation of findings by means of a focus group discussion
Current situation in the German target market / segments	<i>What is the current situation in the German target markets and in what way can the assets and capabilities at hand be applied to enter the German market successfully?</i>	Analysis of the macro-economic factors by means of a PESTLE analysis using data gathered by institutions and authorities Analysis of the targeted industries by integrating porter's diamond model and cluster theories based on data published by institutions, authorities and industry associations Analysis of the most essential food segments , considering the following aspects: industry structure, growth potential, location of customers, trends and concerns
Direct competitors already providing engineering services to the German target customers	<i>In what way can the assets and capabilities at hand be applied in order to identify and outperform direct competitors already providing their services to the German food/ chemical market?</i>	Identification of direct competitors based on relevant published data taking into account: the range of services, target industries and location Evaluation of threat emanating from competitors by means of a CPM , comprising the following CSF: company size, service range, target industries, locations, marketing actions, proactivity, internationality, resources, experiences and references
Perceived value, requirements and buying behaviour of targeted customers	<i>What are the customers' buying behaviour, perceived value and requirements like on the German market and how can Tebodin use the identified prerequisites to create and measure superior customer value-in-use as market based-asset?</i>	Analysis based on the theoretical value creation sources Conducting telephone interviews interviewing 50 companies operating in the food segments , sampled on purpose Validation of findings and collection of additional data by means of a qualitative structured questionnaire , primary consisting of 5-choice Likert scales evaluating the firms': economic situation, values, investments, perceptions and requirements
Applicable market entry and marketing strategies for the target market and preliminary investment evaluation	<i>What would be applicable market entry and marketing strategies and the investment associated with promoting and positioning the engineering and consultancy services on the German market?</i>	Identification of the most applicable market segmentation, market entry and marketing strategies , considering the following aspects: The company's current position in the target market and its valuable resources ; the current market conditions and the potential customer's challenges that effect the customer's needs as well as the effect of cultural Determination of a preliminary marketing budget including all relevant marketing activities
Initial estimate of asset value increase generated by the investment	<i>What amount of revenue will have to be generated by the investment undertaken to enter the German market in order to increase the asset value and profitability of the company?</i>	Measurement of the estimated increase in company value generated by the marketing investment by calculating the expected profitability of the current marketing investment , based on the following equation components: ECAR; ECMV; CAR(0); CMV(0); CMI RROI

Table 8: Operationalization overview



3.4 Limitations of the adopted research approaches

Secondary data collection

Due to the fact that secondary data is not collected by the researcher himself the primary limitations of secondary data and documentation collected by external parties in form of e.g. databases or statistics of authorities or associations are: a) lack of familiarity with the data; b) the complexity of the data and c) the lack of control over the data quality. (Bryman & Bell, 2011)

Focus groups

Bryman & Bell (2011) mention several limitations when it comes to focus group interviews. The first limitation named is that the researcher and/or facilitator have to stimulate people on doing two things. The first challenge is to motivate the potential interviewees to participate in the focus group interview the second is to simulate them that they also actively and openly contribute within the session. For this reason, the success, validity and reliability of the results are highly dependent on the facilitator. The second limitation involves the potential decrease of control over the focus group discussion if it gained momentum. It is in the responsibility of the facilitator to identify the moment when the level of loss of control reaches an unacceptable extent and has a detrimental effect on the final information output of the discussion. The third limitation comprises the subsequent analysis of the generated data.

The analysis remains to be a challenge since a huge amount of data will be generated during the focus group discussions and the approach how one can integrate what people said, how they interacted with each other, and minor matters, like voice pitches, remains an omnipresent issue to be considered. This limitation in turn leads to a fourth limitation, which includes the psychological traits of participants, like being introvert and not presenting a potential broader scope on an issue or being extrovert and trying to spread the own work and convince others of the own view. Additionally, research has also shown that people tend to agree on views due to group pressure, developing a common group think. This can be prevented by the facilitator by limiting the speaking time of very active participants and the facilitator's active asking of other views. However, psychology and group dynamics are a wide and complex field and are also culturally-bound. This requires the facilitator to be attentive and acting thoughtfully.

From a methodological point of view, one can also name the common limitation of generalizability as the sample might not represent the population of interest.

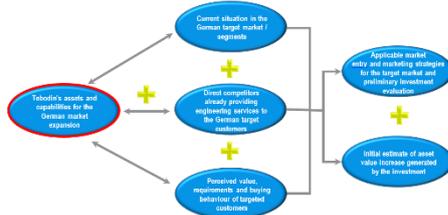
Qualitative telephone interviews

When planning to conduct quantitative research by means of telephone interviewing, the following aspects have to be borne in mind: Firstly, during telephone interviews themes cannot be discussed in the same intensity as they would have been discussed in a face-to-face interview, therefore the interview themes and the structure of the interview have to be constructed thoughtfully to make interviewing as effective as possible and to reduce the interview time. Moreover, animating the selected respondents to take part in the research remains to be challenging, since it is much easier for the interviewee to terminate a telephone interview than a face-to-face interview. Thirdly, it is not possible to observe and analyse how the respondents answer in physical sense, by means of body language. Another aspect that has to be taken into consideration is that it is difficult to record telephone interviews technically. Ultimately, it has to be stated that qualitative telephone interviews are not generalizable to the population. (Bryman & Bell, 2011)



4

IDENTIFICATION OF TEBODIN'S VALUABLE RESOURCES



In the first phase of this stage, comprehensive ethnographical analyses has been performed. These included participant observations of internal processes and procedures as well as different secondary data analyses. In line with the stated concepts and theories established by Barney (1991) and Laitinen (2006), the valuable resources at the company's disposal, both on-balance sheet and off-balance sheet have been identified. Ultimately, the valuable company strengths and weaknesses that have been determined from the various ethnographical analyses have been validated by means of a focus group discussion session.

4.1 Potentially valuable off-balance sheet assets

Company structure

In general it be stated that Tebodin B.V. is divided into six geographical areas, namely: Tebodin North-West Europe, Tebodin Central Europe, Tebodin Eastern Europe, Tebodin Middle East, Tebodin Asia Pacific and Tebodin North America. Within the different company areas, various locations can be found in the Netherlands, Belgium and England for North-West

Figure 3: Organisational structure of Tebodin Netherlands B.V.; (Tebodin Netherlands B.V. 2015)

Europe; in Czech Republic, Hungary, Poland, Romania and Serbia for Central Europe; in Russia and Ukraine for Eastern Europe; in Bahrain, Oman, Saudi Arabia, Qatar and United Arab Emirates for Middle East; in China, India, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam for Asia Pacific. (Tebodin B.V., 2015)



Figure 4: Organisational structure of Tebodin Netherlands B.V., Region NE; (Tebodin Netherlands B.V., 2015)



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Service delivery process of the company

In general, the client can choose to request any of the following realisation phases of an investment project (Tebodin Netherlands B.V., 2011, p. 10):

Realisation phase	Description
Consultancy, studies and research	Development of appropriate strategies in the investment decision-making process.
Feasibility study	Assessment of the feasibility of an investment (for a project) based on set criteria.
Conceptual design / Project definition / Structure plan	Development of a concept for a planned investment.
Basic design	Elaboration of a concept resulting in basic technical documents defining the scope, time schedule and budget for the investment realisation.
Detailed design / Final design	Elaboration of the basic design resulting in the documents necessary for purchasing the components, construction and assembly, for operating and maintaining the buildings, installations, facilities, and plant.
Permitting	All activities, necessary to obtain approval from the public authorities for realization and operation of assets.
Procurement	All activities, which are part of the purchasing process resulting in the supply of all materials and construction activities performed by third parties.
Construction, realization, commissioning	Co-ordination and support of all construction site activities up to handing over the installations to the client.
Construction management	Tebodin manages all activities on a construction site on behalf of the client.
Project management	Tebodin manages projects on behalf of the client.
Hand over	Close out to include final report, lessons learnt, as built documentation, archiving of documents and digital information.
After sales services / Post completion activities	Execution of unforeseen corrective actions.
Guarantee period	

Table 9: Brief summary of the case company's service range

In addition, Tebodin is available for executing sub-activities of clients' investment projects. (Tebodin Netherlands B.V., 2011, p. 10)

The processes executed at Tebodin Netherlands B.V. are rather complex and vary significantly according to the individual client's needs and requests. The fictional business case of a German dairy company "Die Milch macht's" has been established to describe the basic principles of the engineering and consultancy services delivered by Tebodin. The key parameters of the current business case are as follows: (for the detailed client request please see Appendix I)

Key parameters of the business case "Die Milch macht's"

- ❖ The production facilities of the firm, located in Billerhorst near Münster, have been built in 2004 and rebuilt in 2011.
- ❖ The firm's product range comprises all sorts of dairy products from milk, over condensed milk, milk drinks, yoghurt, pudding and ice cream with different flavours, custard, and skimmed milk powder to cream.
- ❖ During the past year the firm processed approx. 140.000t raw materials.





- ❖ The company's management has decided to expand the current production capacity through constructing another building right next and connected to the existing facilities on company-owned property.
- ❖ The new facility that is planned to be build is meant to increase the current processing capacity to 200.000t per year.
- ❖ The company's management is willing to invest up to €25million, to put its plans into practice and to achieve the current objective.
- ❖ In first instance, a feasibility study is requested to be performed in order to be able to deliver three conceptual layouts of the extension of the building.
- ❖ Further, project execution is planned to consist of 2 phases: Phase 1) covers the services required to realise the basic package, i.e. the development of a complete basic engineering for the project and the preparation of the documentation required to obtain the construction permissions from the relevant authorities. Phase 2) covers the services after the positive conclusion of state (non-state) expertise obtained, up to the mechanical completion of the object.
- ❖ Tebodin is requested to provide proposal for Phase 1 - execution of basic engineering and generate the building permit of the extension, based on the result of the feasibility study.
- ❖ Optionally, Tebodin will subsequently be asked to also provide a proposal for Phase 2 services including construction management and control, commissioning and permitting assistance resulting in obtaining the operation permit.

Customised service delivery process

The activities that would have to be executed by Tebodin to realise the given request of Die Milch macht's basically consist of 5 phases after the Front End Loading phase (FEL) 0 has been completed (Tebodin Nertherlands B.V., 2013):

FEL 0: Problem identification and analysis

- ❖ *Identification of unsatisfied needs and requirements;*
- ❖ *Initial analysis and trials in order to determine the scope of the project and make an initial estimate about the costs incurring and the size of investment needed to satisfy the given requirement (normally performed by the client)*

In the case of the company "Die Milch macht's" the FEL 0 phase has already been completed, as the request at hand resulted from the problem identification as well as the subsequent analyses and estimates conducted by the client. As stated in the existing request the company expects that additional processing capacities for approx. 60.000t of raw material will be required in the near future in order to retain or even increase the current market share. On the basis of the performed analysis and first cost-estimates the management calculated a maximum budget of €25m to realise the given project.

FEL 1: Study phase: Technical / Economical Feasibility

- ❖ *Definition of Project Premises*
- ❖ *Preliminary Process and Project Development*
- ❖ *Project Execution Strategy (Project Approach)*
- ❖ *Project Planning (Schedule)*





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FEL 2: Conceptual Design

- ❖ *Translation of User Requirements*
- ❖ *Process Development*
- ❖ *Value Engineering*
- ❖ *Project Execution Plan* [Redacted]
- ❖ *Project Planning*
- ❖ [Redacted]

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Hence, the major disciplines involved would be:

- Estimating & Cost Control
- Civil, Structural & Architectural
- Building Services (integrating of all the necessary installations in a building)
- Electrical
- Mechanical
- Construction Management
- Instrumentation & Process Control
- Process Technology
- Pipelines/ Piping
- Infrastructure
- Procurement
- Project Management & Engineering Control

FEL 3: Basic Engineering

- ❖ *Process, Utilities, Layouts, Equipment Specifications*
- ❖ *Building Specifications*
- ❖ *Project Implementation Plan*
- ❖ *Project Planning*

FEL 4: Detailed Engineering

- ❖ *Specification of Detailed Scope of Work for Implementation Phase*
- ❖ *Detailed Specifications*
- ❖ *Definition / Development Package Units*



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FEL 5: Procurement, Construction and Management

- ❖ *Procurement, Contracting*
- ❖ *Material management*
- ❖ *Construction*
- ❖ *Contract Management*

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Figure 5: Illustration of the company's service delivery process; (Tebodin Netherlands B.V., 2013)





Analysis of the company's operational strategies

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- ❖ [Redacted list item]

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- ❖ [Redacted list item]

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Balanced Score Card (BSC)

FINANCIAL		CLIENT	
Objective	Indicator	Objective	Indicator
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
STRUCTURE		CULTURE (long-term)	
Objective	Indicator	Objective	Indicator
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

Table 10: The case company's balanced score card for 2016

Upon recapitalising the company's operational strategies [Redacted] it can be stated that the company is aimed to achieve sales diversification through customer acquisition. However, the accompanying strategies [Redacted] [Redacted] emphasise operational excellence appearing to be primary process-oriented, rather than customer-oriented. This in turn obviously contrasts the concepts developed by Singh & Koshy (2011) and Ballantyne (2004). [Redacted]



Analysis of the company's human resources strategies

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Figure 6: Illustration of the company's QOHSE strategies; (Tebodin Netherlands B.V. 2016)

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The combination of all the above-mentioned aspects consequently leads to the attainment as well as the development of highly-skilled experts, which are expected to contribute considerably to the superior value to the company's clients.



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Other intangible company resources of added value

Besides the off-balance sheet assets and resources analysed in the preceding paragraphs further intangible assets, which are regarded as extremely valuable, could have been identified during the participant observation period. [REDACTED]

Company culture / Dutch culture

[REDACTED]

[REDACTED]

International company network

[REDACTED]



Overview of research results: Off-balance sheet assets

Off-balance sheet asset	Findings
Company Structure	[Redacted]
Service Delivery Process	[Redacted]
Operational Strategies	[Redacted]
Human Resource Strategies	[Redacted]
Marketing Strategies	[Redacted]
Other intangible resources	[Redacted]

Table 12: Overview off-balance sheet assets



4.2 Potentially valuable on-balance sheet assets

Analysis of the company's financial resources

Due to the fact that Tebodin B.V. belongs to the Bilfinger group since 2012, the financial departments of Tebodin B.V. and thus also the financial department of Tebodin Netherlands B.V., solely gather and transfer the annual financial data of the company to the financial department of Bilfinger SE. Thus, Tebodin Netherlands B.V. does not prepare financial statements themselves. The financial department of Bilfinger SE subsequently establishes the consolidated annual, financial statements of the Bilfinger group, comprising the annual financial data of all companies, which are part of the group. Accordingly, there are currently no financial statements available that are exclusively reflecting the financial position of the case company Tebodin Netherlands B.V.

It has been considered to analyse the consolidated financial statements of Bilfinger SE, in order to determine the financial position of Tebodin Netherlands B.V. However, due to the fact that in 2014 162 German companies and 201 foreign-based companies, operating in various fields, have been included in the consolidated financial statements of the Bilfinger group it has been impossible to identify the annual contribution of Tebodin B.V., let alone the performance of Tebodin Netherlands B.V. (Bilfinger SE, 2016) Thus, it has generally been concluded that the group structures are far too complex for being able to draw meaningful conclusions about the financial position of Tebodin B.V. from the consolidated financial statements of the Bilfinger group.

For that reason it has been decided to apply time-series analysis practices to analyse the company's financial position on 31-12-2013 compared to that on 31-12-2012,

Due to the fact that only limited financial data had been assessable, it was unfortunately not possible to apply all on- balance sheet analysis techniques suggested by Laitinen (2006). However, since the following analysis is meant to act as a basis for a prospective proposition about the company's current financial position and future potential, it has been decided to analyse the firm's past performance by conducting a conventional time-series ratio analysis of financial statement information of 2012 and 2013. Furthermore, the consolidated financial statements of the company have been reviewed, in order to identify further striking positions and explanatory of potential along financial ratios. Ultimately, general assumptions about the underlying causes, reasons and transactions have been made. (Laitinen, 2006)

All in all it can be concluded that the company still appears to be a healthy company. The fact that the services delivered by the case company often include the execution of complex, long-term EPCM projects, which require highly skilled experts inevitably leads to high salary expenses and high trade receivables.



[Redacted text block]

Ratio	2013	2012
Net profit margin (ROS)	[Redacted]	[Redacted]
* Asset turnover	[Redacted]	[Redacted]
= Return on assets (ROA)	[Redacted]	[Redacted]
* Equity Multiplier	[Redacted]	[Redacted]
= Return on Equity (ROE)	[Redacted]	[Redacted]

Table 13: Summary of the DuPont analysis

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[Overview of research results: On-balance sheet assets](#)

On-balance sheet asset	Findings
Profitability	[Redacted findings for Profitability]
Activity	[Redacted findings for Activity]
Liquidity	[Redacted findings for Liquidity]
Financial gearing	[Redacted findings for Financial gearing]

Table 14: Overview on-balance sheet assets



4.3 Company weaknesses bearing potential for jeopardising a successful German market entry

Upon performing the ethnographic analyses of the different on-balance sheet and off-balance sheet aspects, it has been found that Tebodin commands various resources that can be considered as extremely valuable for developing the German market successfully. However, it also processes a few weaknesses that undoubtedly bear the potential of jeopardising a successful German market entry. The company's weaknesses that could have been determined can be summarised as follows:

- ❖ [Redacted text block]
- ❖ [Redacted text block]
- ❖ [Redacted text block]

In order to gain further insights on what resources and strengths the company's employees regard as valuable for entering the German market and to validate the research findings and conclusions that could have been drawn from the preceding analyses and participant observations, a focus group discussion session has subsequently been scheduled.



4.4 Focus group discussion

Research objective

The primary research objective of the scheduled focus group discussion session was to validate the findings of the different ethnographic analyses, which consisted of secondary data analyses as well as participant observations performed by the researcher, while working for the company studied. By utilising a customised research procedure that has been especially developed for the current purpose, the researcher has been aimed to gather valuable, reliable and valid data, which deliver further insights about the employees perceptions in regard to the underlying research theme.

Targeted to identify the comprehensive strengths and resources that the different participants consider as especially valuable to achieve the given objective of delivering superior value-in-use to the potential German industry customers, the researcher developed fictional scenarios, which reflected real-life business dilemmas that are most likely to be encountered when doing business on the German market. Furthermore, she created a safe and pleasant environment, in which the recruited participants were able to discuss what value strengths Tebodin Netherlands B.V. possesses and how these resources could be applied effectively in order to enter and to develop the German market successfully.

Data analysis and discussion

Based on the basic theories and concepts regarding focus groups discussions that have been established by Krueger & Casey (2000), Duggleby (2005), Onwuegbuzie et al. (2009), Onwuegbuzie, Dickinson, Leech, & Zoran (2009), Onwuegbuzie, Leech, & Collins (2010) and Kitzinger (1994), the operationalised basic framework that had been developed by Kruger (2015) has subsequently been applied, in order to analyse the gathered data of the current focus group discussion.



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[REDACTED]

Ultimately, it can be stated that the adopted research approach and the setting created by the researcher, which clearly emphasised aspects like confidentiality, openness and honesty as well as freedom to develop valuable thoughts and arguments conjointly, fully served its primary purpose to stimulate interaction. Upon analysing the context as well as the stimuli which caused the particular statements made, it can be stated that only in the beginning/ orientation phase the participant responses were stimulated by triggers set by the facilitator, while in later stages, when the discussion gained momentum, the participants mostly triggered each other to make statements and go beyond the obvious, sometimes even forgetting about the general research setting and the fact that a facilitator was present. The observed interaction behaviour of the different participants finally leads to the second cause for high extensiveness scores. In advanced stages of the discussion few participants who had undergone a slight mind change during the discussion, subsequently tried to convince other group members to adopt their perspective as well by using among other things specificity. This in turn led to an increase in interaction, discussion frequency and extensiveness of statements. Thus, it can be concluded that factors such as the extensiveness and the frequency with which topics have been discussed can also be positively related to the interaction intensity among participants. In regard to the third and fourth stimulus that have been prepared by the researcher it can be stated that the facilitator decided to leave them aside, since the topics that these stimuli primary targeted at had already been broached during the course of discussion. In addition, interrupting the interaction flow between participants for setting another stimulus that had already been broached has been considered to deliver less valuable data than leaving room for interaction.

Discussion highlights that the researcher additionally would like to pinpoint here is the respectful, positive manner in which the participants interacted with each other and the openness and enthusiasm with which the participants encountered the whole research approach and setting. During the discussion consensus has been reached that the company remains to be extra committed to their projects once taken up. Furthermore, a high degree of knowledge sharing among the participants accompanied the identification of the strengths and resources valuable for the German market. [REDACTED]

[REDACTED]



Research outcomes

The findings of the executed focus group session can be summarised as follows:

- ❖ All participants encountered the focus group discussion and the related research setting with openness and enthusiasm and contributed thoughts and opinions that were of enormous value for the researcher.
- ❖ The participants interacted with each other in a respectful, positive manner and shared their knowledge.
- ❖ In general, participants valued more operational, process-oriented strengths and hard facts higher than interpersonal, intellectual and other soft skills.

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❖ [Redacted text]

❖ [Redacted text]



[Overview of final research outcomes](#)

Off-balance sheet assets/weaknesses	Findings of ethnographic analyses	Validated findings after the focus group discussion
Company Structure	[Redacted]	<i>Confirmed:</i> [Redacted]
Service Delivery Process	[Redacted]	<i>Additional insight:</i> [Redacted]
Operational Strategies	[Redacted]	<i>Confirmed:</i> [Redacted]
Human Resource Strategies	[Redacted]	<i>Confirmed:</i> [Redacted]
Marketing Strategies	[Redacted]	<i>Confirmed:</i> [Redacted]



Off-balance sheet assets/weaknesses	Findings of ethnographic analyses	Validated findings after the focus group discussion
<p>Other intangible resources</p>	<p>[Redacted text]</p>	<p><i>Confirmed:</i></p> <p>[Redacted text]</p>
<p>Lack of intercultural knowledge</p>	<p>[Redacted text]</p>	<p><i>Confirmed:</i></p> <p>[Redacted text]</p>

Table 16: Overview of research findings



Key research findings and conclusions

Upon recapitalising the various results of the different ethnographic analyses performed it can generally be concluded that Tebodin Netherlands B.V. possesses a variety of valuable resources that can be applied to enter the German market successfully. Many of the resources and strengths that are valuable for realising the German market have already been identified by the company's management and its employees. However, in the researcher's perception, originating from past experiences as well as the current observations and analyses, it can also be stated that essential resources that may be very beneficial for the German market development have not been taken into consideration yet. Furthermore, several weaknesses have been identified that bear the potential to seriously jeopardise the success of the German business operations, if not being eliminated or even transferred into strengths before the start of the operations.

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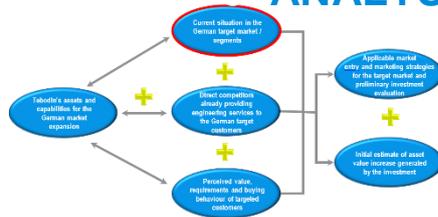
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5

ANALYSIS OF THE GERMAN MARKET ENVIRONMENT



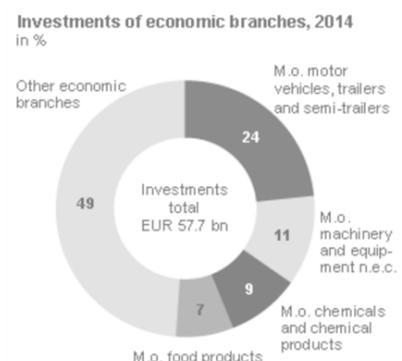
In order to be able to answer the second research question: “What is the current situation in the German target markets and in what way can the assets and capabilities at hand be applied to enter the German market successfully?”, it has been decided to perform three different analyses, aimed to evaluate the conditions on the various market levels. First of all, a PESTLE analysis, including a cultural analysis, will be performed in order to identify the macroeconomic factors that may influence the business operations of the future subsidiary as well as the attractiveness of the German country in general. Subsequently, a basic analysis of the market potential within the three different target sectors and a detailed analysis of the German food sector will be conducted.

5.1 Macroeconomic factors

The Federal Republic of Germany is located in central Europe, bordering the North Sea and the Baltic Sea in the north, as well as the Alps in the south. It has nine European neighbour countries, namely: Austria, Belgium, Czech Republic, Denmark, France, Poland, Luxembourg, the Netherlands and Switzerland. Germany is a liberal-democratic and social constitutional state, which is composed of 16 federal states, where Berlin is the capital. With a population of 81.2 million inhabitants spread over a total size of 357.340 km² (=227 inhabitants per km²), Germany remains to be one of the most densely populated countries of the world. Furthermore, Germany offers a wide range of natural resources, which can be used for the manufacturing of products. The most important natural resources are: coal, lignite, natural gas, iron ore, copper, nickel, uranium, potash, salt, construction materials, timber, and arable land (Bischoff, Chauvistré, Kleis, & Wille, 2015)

Economic forces

In 2014 the total amount of GDP was “€2,915.7 billion and the net national income was €2,176.2 billion. The GDP grew by 1.6% and the inflation rate was 0.9% in 2014.” (Statistisches Bundesamt, 2015) In regard to the domestic demand it can be stated that “private consumption supported by low interest rates, rising wages and robust employment growth, together with the expected gradual pick-up in investment, domestic demand is projected to continue to act as the main growth driver over the forecast horizon”. (European Union, 2014) When having a look at public spending in comparison to the public revenues it becomes clear that the German government has spent €1,239.7 billion, while it received only €1,245.6 billion in 2014. This actually resulted in a total financial surplus of €6.0 billion. Although the total governmental debt amounted to €2,049.0 billion at the end of 2014, Germany remains to be one of the most stable countries in the EU. (Statistisches Bundesamt, 2015)



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Figure 7: Investments of the German economic branches in %; (Statistisches Bundesamt 2015)



Furthermore, it can be stated that in “August 2015 roughly 42.9 million persons resident in Germany were in employment”, whereas the unemployment rate was 4.5% (1.83 million people). (Statistisches Bundesamt, 2015) In total there were 3,629,666 companies operating on the German market in 2013, of which 99.3% are small or medium-sized enterprises. (Statistisches Bundesamt, 2015) In addition, Germany carries a huge industry, producing all the capital (tools and machinery) used to produce goods and services. In 2013 the total investment of the German industry enterprises amounted to € 56.5 billion, of which 7% were invested in the manufacturing of food products and 10% in the manufacturing of chemicals and chemical products. (Statistisches Bundesamt, 2015) When taking the total import and output figures of Germany into consideration, it becomes clear that Germany is a true export nation, which relies heavily on foreign trade, since its “total exports amounted to €1,124 billion, whereas the imports were only €910 billion in 2014, which finally results in an export surplus of €214 billion. In 2014 Germany’s leading trading partner remained to be the Netherlands with a total import value of €88 billion.” (Statistisches Bundesamt, 2015).

Export		Import	
France	102	88	Netherlands
United States	96	80	China
United Kingdom	84	67	France
China	75	49	United States
Netherlands	73	49	Italy
Austria	56	42	United Kingdom
Italy	54	40	Poland
Poland	48	40	Belgium
Switzerland	46	39	Switzerland
Belgium	42	38	Russian Federation

2014 = preliminary result.
© Statistisches Bundesamt, Wiesbaden 2015

Figure 8: Germany's major trading partners in 2014 in EUR bn (Statistisches Bundesamt 2015)

Political, legal and governmental forces

Due to the fact that the Netherlands and Germany are both member states of the EU, there are no trade barriers or special tariffs set by the two countries. Nevertheless, the various regulations adopted by the German government in terms of production safety, production hygiene, employee protection, environmental protection and other standards have to be taken into consideration, when executing engineering projects for German customers.

Environmental and natural forces

The concern for the environment as well as for sustainable and ethical behaviour can be described as relatively high in Germany. In 2010, the German companies as well as the government spent €35.8 billion on environment protection, in 2010. However, the total waste generation amounted to 386 m tons and the primary energy consumption to 13,447 PJ in 2012. Furthermore, in 2013 the daily water consumption per inhabitant accounted for 121 litres, whereas the raw material extraction including imports were 1,248 million tons and the carbon dioxide added up to 952 million tons. (Statistisches Bundesamt, 2015)

Homogeneous branches	2000	2005	2010	2011	2012	2013 ²
	in petajoules					
Products of agriculture and fishing	206.9	202.2	219.5	215.6	239.6	249.1
Homogeneous branches, total	5,976.4	6,184.4	5,999.8	5,993.4	5,766.0	5,908.3
Mining and quarrying	103.6	103.4	97.9	114.6	79.8	79.9
Manufactured products	5,296.5	5,565.7	5,369.1	5,354.4	5,192.5	5,223.9
Food products and beverages	339.2	347.6	348.4	337.3	338.0	337.0
Textiles	90.2	80.2	64.3	64.9	63.7	59.4
Wood and products of wood and cork (except furniture)	67.0	87.0	99.0	106.8	81.8	96.4
Paper and paper products	309.9	451.2	385.7	366.9	347.7	358.4
Coke and refined petroleum products	357.9	434.4	347.4	341.2	328.7	369.4
Chemicals	1,573.8	1,684.9	1,712.5	1,710.0	1,665.3	1,651.8
Rubber and plastic products	170.1	182.2	197.7	184.7	179.4	181.3
Other non-metallic mineral products	404.8	338.8	359.8	370.9	350.2	348.3
Basic metals	1,047.1	1,001.9	933.0	960.5	939.2	905.3
Fabricated metal products	156.7	169.0	176.0	178.0	172.6	187.6
Machinery and equipment	153.1	158.9	164.2	159.3	157.9	155.5
Motor vehicles, trailers and semi-trailers	219.1	249.6	224.4	220.0	217.3	223.6
Other transport equipment	30.2	32.9	30.8	28.3	28.4	30.0
Electricity, gas, steam and air conditioning	23.3	69.7	73.8	67.0	70.9	48.7
Water supply, sewerage, waste management and remediation services	237.3	193.3	211.5	197.2	187.7	218.8
Constructions and construction works	315.6	252.3	247.5	260.1	235.0	237.0
Other homogeneous branches	377.5	347.1	325.7	325.7	322.3	319.9
Service activities, total	3,286.0	3,536.5	3,676.0	3,384.1	3,343.8	3,425.9
Distributive trade, hotel and restaurant services	891.7	826.6	812.7	751.9	745.8	763.5
Transport, storage and communication services	1,178.7	1,487.3	1,617.0	1,514.1	1,522.7	1,524.2
Financial services, renting activities, business services	358.0	379.1	403.8	371.5	371.8	387.0
Public and private services	857.0	843.4	842.5	746.5	703.6	751.1
All homogeneous branches	9,469.3	9,923.1	9,895.3	9,593.1	9,349.4	9,483.3
Households	4,821.0	4,898.2	4,921.5	4,517.8	4,543.5	4,695.1
All homogeneous branches and households (resident concept)	14,290.4	14,821.2	14,816.7	14,110.9	13,892.9	14,178.4

¹ Transformation losses and internal use of energy of electrical power stations allocated to final users of electricity and heat.
² Preliminary results.

Table 17: Domestic primary energy consumption by homogeneous branches 2000- 2013; (Statistisches Bundesamt 2015)



Technical forces

Harbouring many highly educated inhabitants and keeping up a rapid pace of technological development and technological change, Germany remains to be one of the most innovative countries in the world. The total number of European patent filings in 2014 amounted to 274,174. With a share of 11%, Germany remained to be the European leader, behind the US (26%) Japan (18%). In terms of the granted patents in the EU per country of origin, Germany can be found in second place right behind the United States with a total number of 13,086 granted patents (share of 20%), compared to 14,382 granted patents for the US. (Europäisches Patentamt, 2015) In addition, the German government invested approx. €75.5 billion in research and development in 2014. (Statistisches Bundesamt, 2015) Especially areas such as renewable energy and nanotechnology are very popular in Germany, since it takes a leading position in these innovational fields. Another essential advantage appears to be Germany's well-developed infrastructure. Providing the economy with a "road network of 230,702 km, railway lines of 37,877 km and waterways of 7,731 km length," Germany is one of the attractive countries for company settlement in Europe. (Statistisches Bundesamt, 2015)

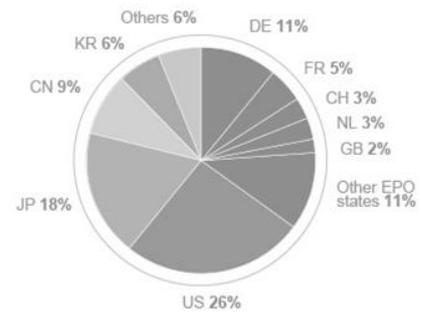


Figure 9: European patent filings per country of origin; (Europäisches Patentamt, 2015)

Social and demographical forces

As already mentioned before, Germany has a total population of 81.2 million inhabitants, of which approx. 20.3% have a migration background and 9.3% are foreigners. According to the data retrieved from the Statistisches Bundesamt (2015), the average gross monthly earnings of households accounted for € 4,086, while the average labour costs were 31.80€/h in 2014. The educational level in Germany can be described as very high, since there were 1,358,550 apprentices and 2,698,910 students in 2014. "The public education expenditure added up to € 137.1 billion in 2012, which equalled 6.9% of the GDP. In addition, the research expenditure amounted for € 75.5 billion and the public cultural expenditure for € 9.1 billion". When having a look at the educational attainment, one can see that 28.8% of the total educated population achieved a university entrance qualification and 49.3% achieved an apprenticeship qualification in 2014. Furthermore, 12.7% of the total educated population do have some kind of university degree and 1.1% of the total population do even have a doctor's degree. (Statistisches Bundesamt, 2015)

Cultural forces

Numerous authors have established different theories to describe and to overcome cultural differences and communication problems that appear among business people, while working in an international environment. Highly renowned professionals in this field are for example: Geert Hofstede, Edward T. Hall, Fred E. Jandt, Nancy J. Adler, Fons Trompenaars & Charles Hampden-Turner or Richard R. Gesteland. Hall (1985), categorizes various nations according to the following dimensions: 1) Low context vs. High context; 2) Monochronic vs. Polychronic; and 3) High territoriality vs. Low territoriality. Hofstede (2005), complements to the dimensions of Hall, by rating various nations along the following five dimensions: 1) High power distance vs. Low power distance; 2) Masculinity vs. Femininity; 3) Individualism vs. Collectivism; 4) High uncertainty avoidance vs. Low uncertainty avoidance and 5) Short-term vs. Long-term orientation. Upon comparing the scores of Germany and the Netherlands on Hofstede's dimensions, it becomes clear that although the two countries are not geographically dispersed, there are quite a few divergences in regard to the culture of the two countries.



High power distance vs. Low power distance

The power distance dimension defines “the extent to which less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally.” (Hofstede, 2005, p. 46) With scores of 35 and 38, Germany and the Netherlands can be found among the lower power distant countries. In turn this means that companies are highly decentralised and “subordinates and supervisors consider each other as existentially equal”; there is only an inequality of roles, due to the hierarchical system. Managers rely on their own experience and their subordinates, therefore employees expect to be consulted, before big decisions are made. (Hofstede, 2005, pp. 55)

Individualism vs. Collectivism

The individualism dimension describes the degree to which the members of a society are interdependent among each other. (Hofstede, 2005) According to Hofstede (2005), Germany and the Netherlands are rather individualistic countries, since they score 67 and 80 on this dimension. In terms of work, recruitment and selection as well as promotion are based on skills and qualification rather than relationships or in-groups. Moreover, the communication is very direct, which means that the meaning can be found in the spoken words, rather than in the context. In addition, the occupational mobility is higher and everyone is expected to have an individual opinion. (Hofstede, 2005)

Masculinity vs. Femininity

The masculinity dimension is concerned with the degree to which “emotional gender roles are clearly distinct.” (Hofstede, 2005, p. 120) Scoring 66 on this dimension, Germany appears to be a truly masculine country, whereas the Netherlands are rather feminine, scoring only 14. In masculine cultures challenges, earnings, recognition, advancement and success are important, both at home and at work. (Hofstede, 2005) Additionally, management is rather decisive, competitive and aggressive and people “live in order to work”, since more money is preferred over more leisure time. (Hofstede, 2005) In contrast, in feminine cultures such as the Netherlands, both men and women deal with facts and feelings and are expected to be modest and relationship-focused, since relationships and quality of life are important, at home and at work. (Hofstede, 2005) In the workplace management is more intuitive and concessive and “people work in order to live”, since more leisure time is preferred over more money. Furthermore, careers are optional for both genders. (Hofstede, 2005 p. 147)

Uncertainty avoidance

Uncertainty avoidance reflects “the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these.” (Hofstede, 2005, p. 167) Due to the fact that Germany scores 65 and the Netherlands score 53 one can conclude that Dutch people are a bit more comfortable with unknown situations. This in turn means that there are many, conservative and precise laws or unwritten rules in Germany. (Hofstede, 2005)

Short-term vs. Long-term orientation

This dimension expresses the extent to which a society shows a pragmatic future-oriented perspective, rather than a conventional historical short-term point of view. (Hofstede, 2005) Due to the fact that Germany rather scores low on this dimension (31), it can be seen as a rather short-term oriented country whereas the Netherlands scores higher (44).



The main work values in short-term oriented cultures include “freedom, rights, achievement and thinking for oneself.” (Hofstede, 2005, p.225)

Inspired by the theories that have been established by Hofstede and Hall, Gesteland (2005), developed “Two Iron Rules of International Business” as well as the following four dimensions aiming to measure intercultural business behaviour:

- ❖ Deal-Focus vs. Relationship-Focus
- ❖ Informal vs. Formal Cultures
- ❖ Rigid-Time vs. Fluid-Time Culture
- ❖ Expressive vs. Reserved Cultures

The first of Gesteland’s two Iron Rules is: “In International Business the seller is expected to adapt to the buyer.” (Gesteland 2005, p. 17) According to this theory, adapting to the buyer is essential to a company’s success when dealing in an international environment where different cultures exist. Gesteland’s second rule claims: “In International Business the visitor is expected to observe local customs”. (Gesteland 2005 p. 18) Thus, even if you are the buyer “understanding the supplier’s business culture is very important in order to negotiate the best deal.” (Gesteland 2005 p. 18) Although Gesteland categorizes both countries, the Netherlands and Germany, as deal-focused, moderately formal, monochronic and reserved cultures, there are minor differences present between the two countries, which can have a great impact on the success of the business operation.

In terms of the actual business negotiation, the first step would be to at least partly adjust his own behaviour slightly to the culture of the business partner, as also suggested by Gesteland. “Cultural adaptation refers to the ability to step outside a person’s cultural boundary and to adjust his/her perspectives to an unfamiliar one, subsequently acting on the changed perspective”. (Lin & Malhotra, 2012 cited by Byram, 1997)

Furthermore, it is advised to thoughtfully consider the contingencies of the negotiation, which are: the people, the situation and the process of the negotiation, in order to be successful (Adler, 2008). In terms of the situation it is suggested to consider factors such as the location, physical arrangements, participants, time limits and status differences (Adler, 2008).

The most essential principles during deal negotiations are (Adler, 2008):

- ❖ Separating the people from the problem;
- ❖ Focusing on interest, not on positions;
- ❖ Insisting on objective criteria and never yielding to pressure;
- ❖ Inventing options for mutual gain

In addition, it is possible to apply different variants of both, verbal as well as non-verbal tactics, when the situation allows it. Verbal tactics are for example active listening, agreement, questions, or feelings commentary (providing internal information). Nonverbal tactics are for example silent periods, eye contact or touching (Adler, 2008).



Consequences of the different scores on international business

Since Germans score very high on masculinity and individualism, performance is highly valued and they have a sense of duty and responsibility. Communication is very direct, following the ideal to be “honest, even if it hurts” – and by this giving the counterpart a fair chance to learn from mistakes. The fact that almost everything is highly regulated in Germany and that Germans prefer to obey existing rules can be to some degree attributed to the uncertainty avoidance score. Also the punctuality, precision and formalization for which Germans are well-known, can be traced back to this dimension, since people prefer structure and rules. In combination with their low power distance, where the certainty for own decisions is not covered by the larger responsibility of the boss, Germans prefer to compensate for their higher uncertainty by strongly relying on expertise. Due to the fact that German business partners put high value on achieved status and hierarchy and are excessively reserved they behave more formal than their Dutch counterparts in order to show appropriate respect for persons and their status, therefore business partners are always addressed by their full, correct title. The preference of Germans for high performance and showing respect for persons is also reflected in the fact that Germans place very high value on punctuality, stealing someone time is often regarded as disrespectful and ineffective.

Ultimately, it can be stated that Gesteland’s advise to “be aware of local sensitivities and generally honouring local customs, habits and traditions”, (Gesteland 2005 p. 18) while being yourself is critical to a company’s international success.



5.2 General conditions in the German target markets

According to the Statistisches Bundesamt (2015), the main branches of the German manufacturing industry generated an overall revenue of approx. €1.82tn, by producing goods for sale valued at approx. €1.37tn in 2014. Furthermore, the overall investments in property, plants and equipment (PP&E) undertaken by the different branches of the manufacturing industry amounted to €56.5bn, in 2014. In regard to the three different German target sectors, it can be stated that the nationwide food/feed, beverage, chemical and pharmaceutical industries have been able to generate a total revenue of ca. €154bn, €20bn, €153bn, €47bn respectively, in 2014. When comparing these revenues to those of the previous year, it becomes clear that the overall revenue of the food/ feed and the chemical industry, decreased slightly compared to the revenues of 2013 (-3%; -2% respectively), while the total revenues of the beverage and pharmaceutical industries increased by 1% and 5%.

Nevertheless, in terms of the food & beverage industry, it has to be pointed out that 2013 has been an outstanding year for the German food and beverage industry as the revenue generated increased by approx. 4% compared to 2012. The investments in PP&E that have been undertaken by the three different target segments in 2014 added up to approx. €12.5bn, where the investments of the food/feed, beverage, chemical and pharmaceutical industry were equal to approx. €4.2bn, €1.2bn, €5.2bn and €2bn, respectively. (Statistisches Bundesamt, 2015)

Upon analysing the multiple data published and reviewing the databases made available by the Statistischen Landesämter (2015) of the 16 German federal states, the Statistische Ämter des Bundes und der Länder, and the Statistisches Bundesamt, it has been found that 5806 companies have been operating in the food/feed & beverage sector; 326 companies have been operating in the pharmaceutical sector and 1595 in the chemical sector in Germany in 2014. When zooming in further into the different German federal states it can be stated that NRW remains to be top-notch, when it comes to the manufacturing of food, pharmaceutical and chemical products, followed by Bayern, Baden-Württemberg, Niedersachsen and Hessen. In terms of the percentage distribution within the pharmaceutical sector, it can be stated that again NRW appears to be leading, since 17.5% of all pharmaceutical firms in Germany were located in NRW, followed by Baden-Württemberg (14.7%), Bayern (12%), Niedersachsen (9.8%) and Hessen (9.2%). Within the chemical sector, most companies were again located in the federal state NRW (26.5%) followed by Bayern (13.4%), Baden-Württemberg (12.5%), Hessen (10%) and Niedersachsen (9.2%). Ultimately, most companies operating in the food/feed and beverage industry were located in NRW and Bayern (17.4%), followed by Baden-Württemberg (15.7%), Niedersachsen (11.1%), and Hessen (6.2%). Also in regard to the share of the total revenues that have been generated and the total investments that have been undertaken by the food and chemical sector in 2014, it can be stated the federal states NRW and Niedersachsen again appeared to be two of the leading ones. While the food and chemical sector in NRW generated approx. 26.7% of the total German revenue of these two sectors, 23.7% of the total investment made by the German food and chemical sector can be traced back to NRW. The food and chemical companies located in Niedersachsen managed to generate a share of 12.7% of the total German revenue made in these sectors, while they were responsible for 7.9% of the investments undertaken.

However, when taking not only the number of companies, but also the size of the different federal states into consideration, it becomes clear that federal states such as Bremen, Hamburg and Schleswig- Holstein may also be interesting target markets next to the federal states NRW and Niedersachsen.

Although these three federal states only amount to 4.7% (Schleswig-Holstein 4.4%, Hamburg 0.2% and Bremen 0.1%) of the overall size of Germany they appear to be rather attractive for the target segments. In 2014 5.8% of all companies operating in the three different target segments: food/feed and beverages; chemical and pharmaceutical products have been located in Bremen (0.7% of total number of companies in the target segments), Hamburg (1.3%) and Schleswig-Holstein (3.8%), whereas federal states such as Mecklenburg-Vorpommern and Brandenburg or Thüringen harboured considerably less companies, while being significantly bigger and offering more growth potential for the firms located in the region, having more inhabitants and thus consumers. While federal states such as Mecklenburg-Vorpommern (MV), Brandenburg (BB) or Thüringen (Thür) account for approximately 19.5% (MV: 6.5%; BB: 8.5%; Thür: 4.5%) of the German territory and harbour about 8% of all inhabitants the investments undertaken by these by the food/feed and beverage as well as the chemical industry operating in these federal states only amount to 1.5% for MV, 1.8% for Thür and 2.5% for BB. Although Bremen, Hamburg and Schleswig-Holstein are significantly smaller in size compared to other federal states in Germany, the companies operating in food/feed and beverages as well as those operating in the chemical industry where responsible for 1.3%, 2.2% and 2.0% of all investments undertaken in these particular sectors in Germany. (Landesämter of the 16 federal states, 2015; Statistisches Bundesamt, 2015)

One further advantage that Bremen, Hamburg or Schleswig-Holstein offer compared to other federal states is that they can be easily reached from any starting point located in NRW or Niedersachsen, without considerable effort.

Due to the fact that the current research primary aimed to concentrate on the identification of the opportunities within the food and beverage sector, this particular sector will be analysed in detail within the following sections

5.3 The German food & beverage sector in general

Significance of the food sector in Europe and the German manufacturing industry

During the last few years, the German food market remained to be both, the largest consumer market as well as the largest food processing market, in Europe. (Germany Trade & Invest, 2015) Being Germany's fourth largest line of industry, the food sector generated approximately 10% of the total revenue of the German manufacturing industry in 2014. (BVE, 2015) In total the German manufacturing industry generated a revenue of €1749.03bn, (Statistisches Bundesamt, 2015), while the total revenue of the food sector has been €172.2bn. (BVE, 2015) Together with the automobile industry, the machine construction industry and the chemical industry, the food industry was responsible for 51.2% of the total investment volume spent for property, plant and equipment by the German industry in 2014, where the share of the food industry amounted to a total investment in fixed assets of € 4.2 billion. This is around 7.7% more than the total amount invested by the industry in 2013. (Statistisches Bundesamt, 2015)

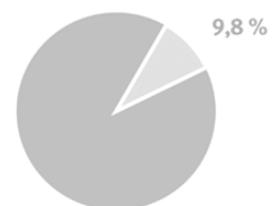


Figure 10: Percentage share of the food sector in the overall revenue of the manufacturing industry 2014 (BVE, 2015)



Key facts and figures about the German food industry (BVE, 2015)

In 2014, 5,828 food processing companies (> 50 employees) with 559,776 employees supplied around 82 million German citizens with high-quality food products. The German food industry is particularly dominated by SMEs enterprises, since 95% of the companies have fewer than 250 employees. Among these, many traditional family-owned businesses and manufacturers of German specialties can be found, who are closely connected to their location. "Highest quality, safety, reliability and customer orientation at an affordable price" (BVE, 2015), as well as the broad variety of approximately 170,000 different products are highly appreciated not only by German, but also by international consumers. 32% (€ 54.4 billion) of total sales revenue have been generated abroad in 2014. This corresponds to a growth in exports of 2% compared to the previous year. (BVE, 2015)

Current Issues and Trends

Aspects such as sustainability, cost-effectiveness and energy efficiency are crucial, especially in the food industry. Energy costs are the third largest cost factor for food manufacturers. Especially the power consumption burden the food manufacturers, since taxes and fees due in 2014 accounted for a share of 53% of the electricity price. Leaving all other costs aside the EEG apportionment already accounted for 6.17 cents per kilowatt-hour. Especially for energy-intensive companies such as those in the nutritional industry, where energy costs account for up to 30% of the gross value of production minor energy savings can already result in major relief for the company. Furthermore food production processes and innovation potential are significantly dependent consumer. Food and sustainability are often closely related in the public debates, since food consumption is regarded as an important factor for sustainable living. (BVE, 2015)

Market segmentation

In order to perform a profound analyses the food and beverage industry has been divided into 15 subsectors, to assure a higher comparability and reliability of the data that has been gathered from numerous sources such as the various food associations. The following food sector categorisation appears to be commonly utilised by various institutions:

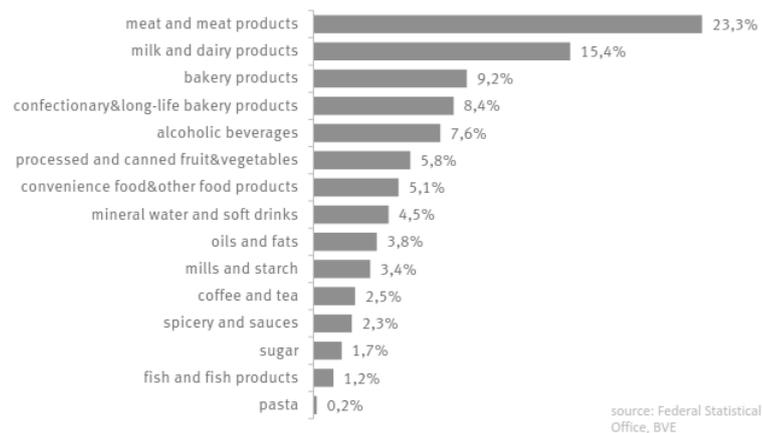


Figure 11: % Share of the segments in the total turnover of the German food industry 2014 (BVE, 2015)

Within the next section a more detailed analysis of the three leading food segments will be conducted taking the following aspects into consideration: industry structure, growth potential, customer location as well as the future prospects of the particular segments.



5.4 Analysis of leading segments within the food and beverage industry

Meat and meat products

Industry structure

According to the latest information published by the Bundesverband der Deutschen Fleischwarenindustrie e.V. (BVDF), (2015), 1.469.259t meat have been processed by 338 companies in Germany in 2014. Thanks to the support 57,893 employees, the German meat processing industry managed to generate an overall sales revenue of approx. €18.16 billion in 2014. This figure actually represents an increase in sales revenue for the meat processing industry of 3.38% compared to the previous year and corresponds to a share of 23.3% of the overall revenue of the German manufacturing industry in 2014.

Growth potential

The German as well as the European meat production reached peak levels in 2014. Subsequently, the German meat processing industry experienced substantial production growth again. The number of slaughtering of pigs managed to keep the high levels of the previous years and even increased slightly by 0.2% to 58.7 m pieces. The produced quantity of pork increased by 0.3% to 5.5m t and thus remained to be the most popular type of meat, having a production share of approx. 67%, followed by poultry meat with nearly 19% and beef with approx. 14% of the overall production share. The share of other types of meat (e.g. sheep and goat meat) remained to be at about 0.3%. After several years of decline the beef production, a slight increase of 1.9% (3.6 million t) can be observed when it comes to slaughters and 1.7% (1.1 million tonnes) in regard to meat production. Despite a slight decline of 0.3 per capita pork meat clearly remains to be the most favourite meat of the Germans, since the per capita consumption still amounted to 38.2 kg. The per capita consumption of poultry remained constant at 11.5 kg. The consumption of beef only slightly decreased by 0.1 kg to 8.9 kg. When considering the consumption of sheep and goat meat it can be stated that the consumption of these products accounted for 0.5 kilograms, whereas other types of meat (especially entrails, venison, or rabbit) account for 1.2 kg per capita. After a slight decline of 1.1% in 2013, which occurred mainly due to the temporarily high level of prices, the industrial production of raw, boiled and cooked sausage grew slightly by 0.7% over the past year. While the production of raw sausages declined by 1.1% to 428 703t (2013: 433.669t). The production of boiled and cooked sausages rose by 1.3% to 863.990t (2013: 853.054t), and 2.7% from 171.947t (2013: 176 566t) respectively. Concerning the foreign trade with meat and meat products the import ban of Russia remains to be a heavy burden for the German and European exporters. However, the foregone exports to these regions could be largely compensated by intensive cultivation of other markets, such as Asia. With about 4.2m t the export volume increased (+ 3.7%) again. The export revenue however, decreased due to lower commodity prices by almost 2% to € 9.6 bn. (BVDF, 2015)

Location of potential customers

Thanks to their outstanding and stable natural resources and the high level of quality offered, especially rural areas with small-scale agricultural structures such as regions in north-western Germany benefit from the proceeds of the animal processing. This observation is confirmed by a study that has been conducted by the "Wirtschaftsförderung Münster GmbH" in 2007. According to the research findings of this study, NRW region "Münsterland" as well as particular regions in the federal state Niedersachsen, appeared to be especially attractive for meat processing companies. (Wirtschaftsförderung Münster GmbH, 2007) A conducted location analysis of the top 10 meat processing companies as well as of the association members indeed confirmed the findings.



The headquarters of eight out of the top meat firms (Gewerkschaft Nahrung-Genuss-Gaststätten, 2014) as well as 49.4% of the association members could have been found within the identified target regions: NRW, Niedersachsen, Schleswig-Holstein, Hamburg and Bremen.

Trends and concerns

The rising global demand for meat offers great chances for the German and European meat industry. However, due to the comprehensive European and national legislation, which demands for ever more extensive measures for quality assurance and product information, particularly smaller firms have a hard time to survive in the market. An example is the mandatory origin labelling for meat from pigs, poultry and sheep, which entered into force on 1. April 2015. An extension of compulsory origin labelling for meat, which is used as an ingredient in processed products, is currently discussed by the European Parliament. In order to overcome the challenges faced, significant investments in profitability and efficiency have been undertaken by the meat processing industry recently. The continuously growing global demand for German meat as well as the increased requirements and greater competition from Eastern Europe, increase the probability of future investments

[Milk & dairy products](#) (Milch-Industrie Verband e.V., 2015)

Industry structure

The domestic milk production in 2014 has been carried out by 74,762 milk producers who farmed 57.3 milk cows on average. The earned milk money of €12.4 billion that has been made in 2014 represents approx. 24% of the overall agricultural production value. 149 companies (> 50 employees) processed with the support of 33,887 employees 31.3 million tonnes of milk in 2014, which is actually equal to 4% of the world's overall milk production. The various dairy companies in Germany produced among other things approx. 5,030k t milk for consumption, 1,669k t yoghurt, 490k t butter and 2,472k t cheese. These activities finally resulted in total revenues of €26.1 billion (+2.5% compared to 2013), which reflects a share of 19% of total sales revenue that has been generated the food and feed industry in 2014.

Growth potential

In 2014, the domestic milk production reached its peak and the production of fresh dairy products (e.g. yoghurt), cream and cream products, butter, cheese and fermented dairy products has increased by +0.9%, +3.3%, + 1.8%, +1.3% and +8.0% respectively. In addition, the per-capita consumption of milk and dairy products rose slightly in 2014, since the Germans consumed on average 55.6kg of milk for consumption (2013: 54.7kg), 30.0kg of cream and cream products (2013: 29.7kg) and 24.6kg of cheese (2013: 24.4kg). The overall revenue (excl. ice cream) that has been generated also increased constantly during the last few years except a slight drop in 2012. Whereas the overall revenue generated has been equal to €23.722bn in 2008, it has been equal to €26.164bn in 2014. This actually represents an increase of about 10% over the last five years. When comparing the German export volume of the first half-year of 2015 to the first half-year of 2014, it can be stated that the German export volume of products like cheese (-1%), dried whey (-6%), or condensed milk (-27.5%) decreased, while the export volume of products like fresh dairy products (+6.6%), milk for consumption (+4.3), or butter (+16.6%) increased, in 2015. The overall export volume of the German dairy industry can be described as having been rather stable during the preceding years, while the domestic demand, the world demand for high-quality dairy products as well as the generated revenue increased continuously during the last few years. (MIV, 2015) Thus, future investments of the dairy industry appear to be rather likely.

Location of potential customers

The milk quota scheme has been implemented within the European Union in 1984 and was originally planned to be valid for 5 years. Its primary objective was to limit the milk surpluses and thus the costs they provoked for the intervention agencies, which had to either buy out the surpluses or reduce the price through subsidiaries. (ZMB, 2015) Following to the trend of the previous exchange dates, the German milk production volume shifted further from the south to the north. (MIV, 2015)

A cluster analysis that has been conducted by the "Wirtschaftsförderung Münster GmbH" in 2007, found that the NRW region "Münsterland" as well as particular regions in the federal state Niedersachsen, in the direct neighbourhood of the Münsterland appeared to be especially attractive for companies processing dairy products. (Wirtschaftsförderung Münster GmbH, 2007) An analysis of the locations of the top ten dairy processing companies confirmed that these findings are still valid, since five of the ten leading dairy companies, namely DMK, Hochwald, Arla Foods, Friesland Campina and Theo Müller, have production facilities in the described target areas. In addition a performed sample location analysis of the members registered with the MIV showed that about 35% all members of the MIV are located in the identified German target regions: NRW, Niedersachsen, Schleswig-Holstein and Hamburg. (MIV, 2015)

Milchquotenzu- und -abwanderung in Deutschland seit 01.07.2007*

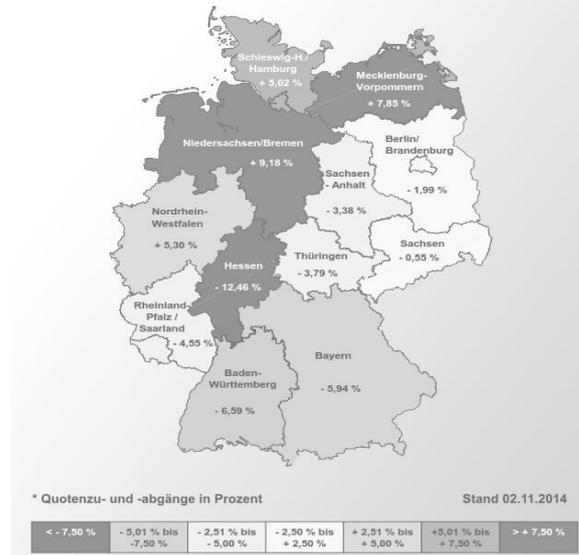


Figure 12: % change of the dairy quota in the different federal states 2014; (MIV, 2015)

Trends and concerns

Various critical economical as well as political issues that occurred in 2014, the milk price suffered considerably in the first half-year of 2015. For the first time since 2009 buyouts through the intervention agencies became necessary again, due to the fact that the market conditions in the industry changed essentially. On one hand, the high milk prices in the previous two years have driven worldwide investments in milk production. Furthermore, the end of the milk quota scheme stimulates the milk production in European countries such as the Netherlands and Ireland, while German dairy farmers extended their milk production only slightly extended with the start of the quota-free time. On the other hand however, the world demand for milk declined significantly in the first-half of 2015, due to the fact that the current low of the oil prices weakens the purchasing power of oil-exporting countries, who have been essential import nations for dairy products in the past few years. In addition, political instabilities in the Middle East as well as issues such as the Russian import embargo or the decreasing import volume of China - the two major vendors on the world market – also influence the conditions within the German dairy industry rather adversely. (Wohlfarth, 2015)

Ultimately, it can be stated that themes like: animal and environmental protection (EEG 2014; EEG-Umlage; EhS), energy efficiency (Energiedienstleistungsgesetz (EDI-G) as well as product quality standards and management and of course sustainability (QM-Milch e.V.) appear to be of utmost importance for the German milk processing and dairy industry.



Bakery products

Industry structure

According to the annual report 2014 / 2015 of the Zentralverband des Deutschen Bäckershandwerks e.V. (2015), 12,611 firms have been operating in the German bakery industry in 2014. With the support of 227,200 employees the German bakeries were able to produce a total amount of approx. and subsequently generated a total revenue of €13.52bn. Upon comparing the current industry structure to that of 2012 it has been found that the total number of bakeries steadily declines (2012: 13,666), while the total revenue generated increases steadily (2012: €13.15bn). Subsequently the recent market developments result in steady increase of the annual revenue per bakery. While the annual revenue per bakery has been €1,001m in 2012, it rose to €1,072m in 2014, which represents an increase of approx. 7%.

Growth potential

During the last five years the revenues that have been generated by the German bakery industry steadily increased. While in 2008 the annual sales revenues generated have been equal to €12,88bn (2014: +5%) the revenues generated in 2013 reached a total of €13,35bn (2014: +2.5%). The German households bought around 1,8t of bread. Accordingly the overall domestic bread consumption decreased by -3.9%. Moreover, it has been found that the average purchase quantity of bread per buyer household has been 46.3 kg (2013: 48.8kg) per buyer. The average number of purchases per buyer and year also decreased slightly. While in 2013 the number of purchases per buyer and year was equal to 46.5, in 2014 the German buyers visited the bakeries only 44.8 times. However, although the domestic bread consumption decreased in 2014 the German bread enormous variety of more than 3,200 different bread variations as well as the bread quality appears to be worldwide unique and therefore still highly appreciated globally.

Location of potential customers

The study that has been executed by the "Wirtschaftsförderung Münster GmbH" in 2007, also found that the Münsterland as well as specific regions of the federal state Niedersachsen are especially attractive for bakery companies. (Wirtschaftsförderung Münster GmbH, 2007) An analysis of the locations of the top ten bakery companies as well as a further analysis of a sample consisting of 77 members of the branch-specific associations, showed that 48% of the sampled bakeries and five of the top 10 bakeries (Schäfer's Brot- und Kuchenspezialisten GmbH; Steinecke Holding GmbH; Kamps GmbH; H. von Allwörden GmbH; Backwerk Service GmbH) are headquartered in the different target areas: NRW, Niedersachsen, Schleswig-Holstein, Hamburg und Bremen, that have been identified earlier.

Trends and concerns

Upon analysing the bakery industry it has been found that the industry structure changed significantly over the last years. The trend that can be observed in this regard is: fewer but bigger bakery companies. Further important themes within the bakery industry remain to be among other things energy efficiency (Erneuerbare-Energien-Gesetz (EEG), der Energieaudit nach DIN 16247-1 und das Energiemanagement nach DIN EN ISO 50001), quality management systems (DIN EN ISO 9001:2008), environmental protection as well as food hygiene (HACCP-Konzept)

5.5 Analysis of the most attractive federal states

The performed analyses have shown that the majority of companies, operating in the three leading food segments: meat and meat processing, milk and dairy products, and bakery products are located in the German federal states NRW, Niedersachsen, Schleswig-Holstein, Hamburg and Bremen. Another aspect that has to be taken into consideration is that, especially for a company whose business operations are still in its infancy, outstanding operational excellence and customer service appear to be of utmost importance. In order guarantee a smooth running of the projects at any time, the German subsidiary will be dependent on the support of the Dutch parent company to a considerable extent, particularly in the initial phase of operations. Given the considerable size of the German territory and the logistical challenge associated with, it appears to be most appropriate to restrict the initial business operations of the subsidiary to these north-western German federal states that appear to offer most potential for the services offered and at the same time are located near the Dutch border.

Based on the information that have been published the various German state offices, the importance of the food industry for the respective federal state, the number of local companies and the volume of investment in fixed assets have been evaluated. In addition, a random location analysis of potential customers has been carried out based on the membership lists of various industry associations.

NRW

According to the data published in the online database of IT.NRW (2015), approx. 9900 manufacturing companies were located in the federal state NRW in 2014, generating a total revenue of approx. €336bn. When putting these figures into perspective it can be stated that approx. 23% of all German manufacturing companies were located in NRW, earning about 20% of the overall revenue of the entire German manufacturing industry. Furthermore, the manufacturing firms in NRW had a share of 16.5% in the overall investment volume of the manufacturing industry in 2014 (approx. €9.3bn). When zooming further into the target segment, it can be stated that approx. 1010 companies were operating in the food, feed and beverage industry. In percentage terms, this actually means that approx. 17.5% of all German food/feed and beverage companies. The total revenue that has been generated by the different target sectors in NRW amounted to approx. €90bn, of which about €38.4bn have been generated by the food/feed and beverage sector. In 2014, the overall investments undertaken by the different target sectors in NRW amounted to approx. €2.7bn, where about €780m have been invested by the food/feed and beverage industry. A study that has been conducted by the *Wirtschaftsförderung Münster GmbH* (2007), found that a food cluster is located in the Münsterland, a region in the federal state NRW, close to the Dutch border.

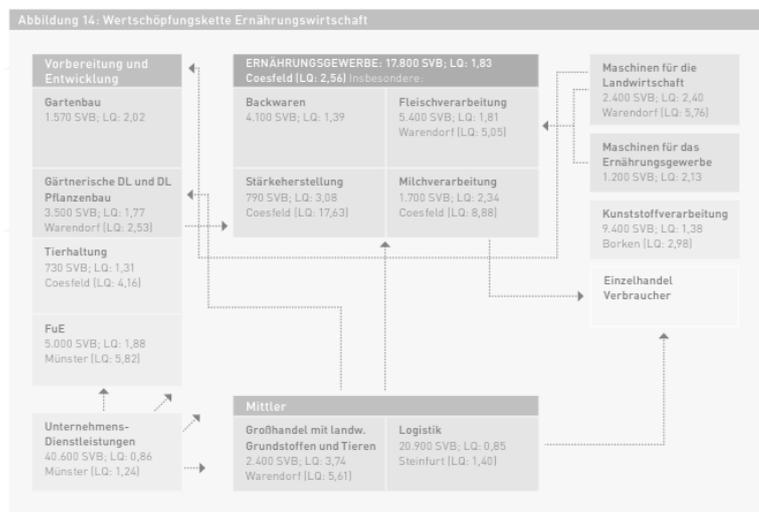


Figure 13: Illustration of the food cluster in the Münsterland; *Wirtschaftsförderung Münster GmbH*, 2007)



Upon measuring the degree of specialisation as well as the development of employment per branch it has been found that this particular region appears to be especially attractive for the three leading market segments of the food industry: meat and meat processing, milk and dairy products and bakery products. In 2006 above average employment and turnover increases confirmed the economic importance and the strength of the food industry in the Münsterland. In 2006 three Kreise of the Münsterland (Steinfurt, Borken and Warendorf) could be found among the top 30 food industry locations in Germany. Agglomerating essential attributes of competitive cluster theories such as: outstanding scientific and branch-specific competences of the universities and universities of applied sciences as well as the non-university research and development facilities and the existing networking approaches, sophisticated customers as well as a huge agricultural sector and thus major suppliers, the Münsterland has been one of the leading regions not only in NRW, but also in Germany.

Although it has been conducted 10 years ago this study appears to be still up to date since the main operating area of the top three meat processing companies (Tönnies-Gruppe, Vion Food Germany as well as Westfleisch), the leading dairy processing companies (e.g. DMK, Arla Foods) as well as great players in the bakery industry have their main operating area or are even headquartered in the region of the Münsterland and NRW. Another critical aspect that has to be taken into consideration in this regard is that the Ministerium für Klimaschutz, Umwelt, Landwirtschaft, Natur- und Verbraucherschutz des Landes Nordrhein-Westfalen especially established the food cluster initiative Ernährung.NRW, aimed to support the industry as well as to strengthen and expand the existing clusters. (Ministerium für Wirtschaft, Energie, Industrie, Mittelstand und Handwerk des Landes Nordrhein-Westfalen, 2014)

Ultimately, a performed location analysis of the different members of the branch-specific associations present showed that NRW appears to be especially attractive for the very strong branches of the food/ feed and beverage industry. An analysis of the different locations of the members of the BVDF showed that about one fourth of all the members are located in NRW. Upon reviewing member list of the MIV it has been found that about 18% of the total members (181) are located in NRW. The review of the different member lists of the Verband Deutscher Großbäckereien, Bundesverband der Deutschen Süßwarenindustrie (BDSI) or the Bundesverband der obst-, gemüse- und kartoffelverarbeitenden Industrie (BOGK), has shown that approx. 15% of the bakery sample, one fifth of the confectionery sample and 13% of the processed vegetables & fruits industry is located in NRW. Furthermore, it can be stated that one quarter of the entire sugar industry is located in NRW.

Niedersachsen

According to the data published by the Statistisches Landesamt Niedersachsen (2015), it can be stated that approx. 19% of all established industrial companies in Niedersachsen were operating in the agri-food sector, in 2014. The 640 companies operating in the food/feed and beverage sector have been able to earn an annual revenue of about €30bn. While the total number of companies has increased in 2014, compared to the previous two years, the total turnover of the food/feed and beverage industry has declined significantly again, after a peak in 2013. Whereas the total revenue generated by the sector in 2012 and 2013 added up to about €33.75bn and €37.8bn respectively, the generated turnover dropped considerably in 2014. In 2013, 579 companies in the food/feed and beverage sector in Niedersachsen have invested around €690m in PP&E, while in 2012 601 firms invested around €700m in tangible assets.



When relating the given investment figures to the annual turnover earned in that particular year, it becomes clear that in the previous years the companies operating in the food/feed and beverage industries invested about 2% of their turnover in PP&E. Transferred to 2014, this means that the total investments of the companies in the food/ feed and beverage industry amounted to approximately €6m.

Especially the branches slaughtering and meat processing, dairy products, feed, fruit and vegetable processing and confectionery (incl. long-term bakery and ice cream), which were responsible for approximately 23%, 14%, 12%, 6% and 6% of the total turnover of the food/feed and beverages industry in Niedersachsen. Regarding the total number of companies settled, Niedersachsen appears a popular location for high-performing industries such as: slaughtering and meat processing (26%), production of bakery products (38%), production of feed (7%), manufacture of confectionery (including long-term bakery goods and ice cream). (5%), and beverage manufacturing (5%). Furthermore it is worth mentioning that especially the popular branches were able to generate a sales growth in Niedersachsen in 2014, compared to the previous year: fruit and vegetable processing (+0.8%), dairy (+7%), fresh and long-term baked goods (+6%), processing of coffee and tea (+1.2%), manufacture of condiments and sauces (+12.3%). In terms of cluster development for the federal state Niedersachsen it can be stated that the government of the federal state Niedersachsen founded the cluster initiative “NieKE – Niedersächsisches Kompetenzzentrum Ernährungswirtschaft” in cooperation with the Universität Vechta and the Deutsches Institut für Lebensmitteltechnik e.V. (DIL), in order to ensure and strengthen the economy and innovation of the food sector in Niedersachsen sustainably. (Niedersächsisches Ministerium für Wirtschaft, Arbeit und Verkehr, 2016)

Schleswig-Holstein and Hamburg

Upon reviewing the publications of the Statistisches Amt für Hamburg und Schleswig-Holstein (2015), it has been found that in 2014, 1013 manufacturing companies have been located in Schleswig-Holstein whereas 364 have been located in Hamburg. For both federal states it can be argued that the food sector appears to play an essential role for the economic success in the particular region, since about one fifth of all manufacturing companies operating in the different federal states (Schleswig-Holstein: 232; 23% and Hamburg: 69; 19%) remain to be food companies.

While producing high-quality food for the local inhabitants the food sector in Schleswig-Holstein employs 127,471 people, whereas the food sector in Hamburg employs 12,652 people. When taking the revenues of the food sector into consideration it becomes obvious that the food sector contributed significantly to the total economic success of the federal states Schleswig-Holstein and Hamburg. Having generated a total revenue of €6.62bn in 2014 the food sector in Schleswig-Holstein managed to generate approx. 20% of the total revenue of the manufacturing industry, while the food sector in Hamburg has been able to generate an overall revenue of €4.06bn.

Furthermore, it can be stated that the food sector in Schleswig-Holstein remains to be top-notch when it comes to the overall investment volume spent (see depiction on the right).

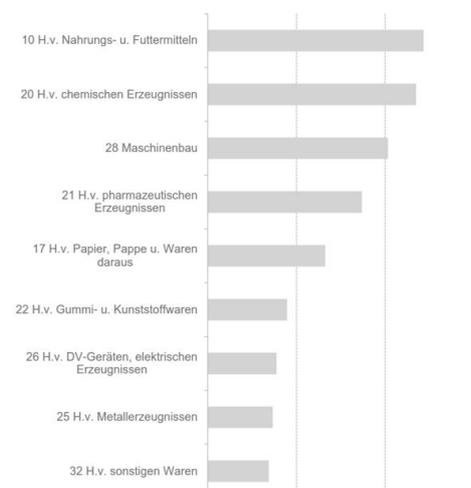


Figure 14: Investment volumes of the manufacturing industry in Schleswig-Holstein in 2014; (Statistisches Amt für Hamburg und Schleswig-Holstein, 2015)



In 2014 the food companies supported other sectors in the manufacturing industry of Schleswig-Holstein by investing €37.34bn in production plants (21% of the total investment of the entire manufacturing industry in plants, in Schleswig-Holstein) and €128.33bn in equipment (21% of the total investment of the entire manufacturing industry in equipment, in Schleswig-Holstein), adding up to a total investment volume of €165.67bn. Thus, the food sector in Schleswig-Holstein has been responsible for 20% of the total investment volume spent by the entire manufacturing industry in Schleswig-Holstein in 2014, while the food sector in Hamburg invested €17.48bn in production plants and €112.94bn in equipment. In 2013, the Ministerium für Wirtschaft, Arbeit, Verkehr und Technologie (2016), des Landes Schleswig-Holstein founded the cluster initiative “foodRegio SH – Branchennetzwerk im landesweiten Spezialisierungsfeld Ernährungswirtschaft (Wirtschaftsförderung Lübeck)”. “The major objective of this initiative is to establish the food industry in the North further and to become the leading industry network in Northern Europe. Partnerships with Denmark, Lithuania, Finland and Poland, as well as partnerships with a French and two Spanish nutrition clusters have already been established.” (Ministerium für Wirtschaft, Arbeit, Verkehr und Technologie, 2015, S. 5)

Note: Upon executing the different analyses it has been found that although the investigation area and unit were the same for all reviewed data, numerical differences have been recognized between the data given by the different Landesämter and those given by the Statistisches Bundesamt. After a telephone conversation with the responsible employee in Wiesbaden, who audited the consulted report published by the Statistisches Bundesamt, it can be stated that the recognized differences between the data can primarily be traced back to corrections to the data that have been performed by the Statistisches Bundesamt between the different publishing dates.



Level	Key Findings
Macroeconomic situation	<p>Being located in the centre of Europe Germany has a very advantageous geographic location.</p> <p>Furthermore, the country's stable political and economic situation or the continuous progress in regard to technical developments as well as its innovation capability make Germany a lucrative location for the new subsidiary.</p> <p>Ultimately, the environmental awareness which is already deeply anchored in the minds of many, highly-educated consumers' leads to constantly rising demand for sustainable production processes.</p> <p>However, although Germany and the Netherlands remain to be neighbour countries, significant cultural differences, which also affect the business behaviour, do exist</p>
General information about the different target sectors (industry level)	<p>When comparing the revenues of 2014 to those of the previous year, it becomes clear that the overall revenue of the food/ feed and the chemical industry, decreased slightly, compared to the revenues of 2013, while the total revenues of the beverage and pharmaceutical industries increased.</p> <p>When zooming into the different German federal states it can be stated that that NRW remains to be top-notch, when it comes to the manufacturing of food, pharmaceutical and chemical products, followed by Bayern, Baden-Württemberg, Niedersachsen and Hessen.</p>
Situation within the food sector	<p>Being the largest consumer market and the largest food processing market, in Europe. As well as Germany's fourth largest line of industry, the food sector generated approximately 10% of the total revenue of the German manufacturing industry in 2014.</p> <p>Together with the automobile industry, the machine construction industry and the chemical industry the food industry was responsible for 51.2% of the total investment volume spent for PP&E</p> <p>Aspects such as sustainability, cost-effectiveness and energy efficiency remain to be crucial, especially in the food industry</p>
Situation within the three strongest food segments	<p>Despite the difficult economic situation, the strict European as well as national regulations and significant losses in the export to third countries the various food segments and especially the three leading ones, have still been able to record slight growth.</p>
Most attractive locations	<p>Analysis have shown that a food cluster remains to be located in the Münsterland (in NRW) and parts of Niedersachsen</p> <p>However, when taking not only the number of companies, but also the size of the different federal states into consideration, it becomes clear that federal states such as Bremen, Hamburg and Schleswig- Holstein may also be interesting target markets</p> <p>Five of the TOP 10 bakeries are headquartered in the different target areas: NRW, Niedersachsen, Schleswig-Holstein, Hamburg und Bremen</p> <p>Thanks to their outstanding natural resources and the high level of quality offered, especially rural areas with small-scale agricultural structures such as regions in north-western Germany benefit from the proceeds of the animal processing.</p> <p>About 35% of all members of the MIV are located in the identified German target regions: NRW, Niedersachsen, Schleswig-Holstein and Hamburg.</p>

Table 18: Overview of key research findings



Key findings and conclusions

The various analyses performed within the preceding sections showed that Germany and the German food sector in particular offer a huge potential for the engineering and consultancy services offered by Tebodin. The key research findings of the numerous analyses performed can be summarized as follows:

The advantageous geographic location, the country's stable political and economic situation or the continuous progress in regard to technical developments make Germany a lucrative location for the new subsidiary. Furthermore, the environmental awareness, which is already deeply anchored in the minds of many, highly-educated consumers, leads to a constantly rising demand for sustainable production processes.

In regard to the market potential of the German food market it can be stated that despite the currently, difficult economic situation, the strict European as well as national regulations and significant losses in the export to third countries (e.g. due to the import ban of Russia), the various food segments and especially the three leading ones, have still been able to record slight growth. In some industries this subsequently leads to strong investments in fixed assets. Nevertheless, the competitive situation is tense in this days. While food prices constantly decrease, the quality and documentation demands of sophisticated consumers as well as of national and European authorities grow incessantly. Particularly the small and medium-sized enterprises through which the industry is shaped suffer enormously, having a hard time to survive. The Tebodin subsidiary is capable to provide these companies with the support they require to overcome the challenges faced and to ensure continuous, successful company operations, either through providing them with professional advice regarding energy efficiency, sustainability, process safety and project feasibility or through realising an expansion and/or modernization of production facilities.

In terms of the optimal location for the new subsidiary it can be stated that especially the federal states Nordrhein-Westfalen and Niedersachsen offer numerous advantages for a settled company, as many target customers who are offering huge potential and also the great players can be found in these regions. Furthermore, a food cluster could have been identified in the Münsterland, a region in NRW bordering the Netherlands as well as the federal state Niedersachsen. Consequently, the Münsterland appears to be the optimal location for opening a subsidiary. However, due to the fact that the location discussion remains to be a decision which has long-term consequences for the company, sidesteps have been made to the chemical and pharmaceutical industry in this case. Upon analysing the locations of the top 10 players in both industries and consulting the databases of the Statistisches Bundesamt it has been found that great players of these industries are primary located in Hessen and Rheinland Pfalz.

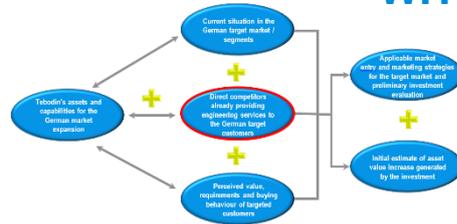
Upon taking the Bilfinger network into account which has been analysed in the preceding chapter, it has been found that Bilfinger partners with an already well-established customer base are located in Dorsten and Hattingen (NRW). Although Dorsten and Hattingen can also be found in NRW, they are located closer to the Ruhrgebiet which will facilitate the expansion of the business operations to further federal states such as Hessen or Rheinland-Pfalz in future. Due to the fact that Dorsten and Hattingen are still located in NRW, the requirement of closeness to the Dutch border, which appears to be of utmost importance especially in the initial phase of the German business operations, is still met. Furthermore, the initial target regions that have been identified besides NRW, namely Niedersachsen, Schleswig-Holstein, Hamburg and Bremen remain to be easy assessable.



Ultimately, being located at the premises of an already well-established Bilfinger partner not only offers huge financial and networking advantages, but can also contribute to create customer awareness and to get in contact with potential customers more rapidly, by minimizing the obstacles. In addition, knowledge sharing within the Bilfinger group is considered to deliver reasonable benefits and can act as a great support for example in regard to legal issues that have to be taken into account when being aimed to enter the German market successfully and German regulations that have to be obeyed while executing a project in Germany. Moreover, the cultural differences that undoubtedly exist may partly be bridged through the presence of a German Bilfinger partner. Ultimately, it can be stated that settling in **Dorsten or Hattingen** appears to be the optimal solution in order to be able to reach all target segments over the long-term.

6

ANALYSIS OF THE COMPETITIVE FORCES WITHIN THE TARGET INDUSTRY



In order to complete the third scheduled research stage and to answer the underlying research question: “In what way can the assets and capabilities at hand be applied in order to identify and outperform direct competitors already providing their services to the German food/chemical market?” the German, direct competitors have been determined, through applying the theories developed by Porter (1979) and Wu & Olk (2014). Firstly, the case company’s direct competitors have been identified by taking the following criteria into consideration: range of services provided, the target industries served, or the company’s location. Subsequently, the threat emanating from the identified competitors has been appraised by means of a competitive profile matrix (CPM) Based on the preceding analyses, the following characteristics could have been determined as critical success factors: the company size, the company’s service range, the variety of market segments served, the company’s local presence measured by number of German subsidiaries, the company’s current marketing and promotional activities, the company’s proactivity, the company’s internationality measured by the number of international subsidiaries, the company’s resources and the company’s experiences measured by the number of years in business as well as the company’s references.

6.1 General conditions in the competitive environment

Upon exerting the federal engineering register of the Bundesingenieurkammer (BIngK) (2015), it has been found that in total 33.693 engineers were registered in Germany in 2014, of which 14.347 (42,6%) were registered in the before-defined target regions, NRW Niedersachsen, Bremen, Hamburg and Schleswig-Holstein. Upon zooming in, a search query of the databases of the Ingenieurkammer-Bau Nordrhein-Westfalen (2015), revealed that 2608 of all registered engineers in NRW, provide services in the following areas: planning, design, engineering, consulting, project management, tendering, awarding, invoicing construction supervision and management. However, further analyses showed that while most of the engineering companies in Germany are operating in the fields of product engineering and private construction, only a fraction of the engineering companies in Germany, offer services that are comparable to those services provided by Tebodin.



Based on the model established by Porter (1979) the performed evaluations of the five forces that will influence the future operations of the German subsidiary, can be summarised as follows:

Competitive Force	Evaluation
Threat of new entrants	Can be regarded as relatively low, since a lot of experience, specific expertise outstanding references, a considerable amount of resources, highly qualified employees and an extensive network are required to complete projects of this size successfully.
Industry rivalry	Is very high since there are already a number of engineering companies active in the German market and the bargaining power of the buyer is not to be underestimated.
Threat of substitute products	Appears to be very low since there are hardly any substitutes for engineering services.
Bargaining power of suppliers	For very large suppliers certainly given, but regarded as manageable.
Bargaining power of buyers	Can be regarded as very high since, the services offered are highly customised according to the client's individual requirements and there are many other suppliers of engineering services operating successfully on the market.

Table 19: Porter's Five Forces Model

In regard to the direct German competitors of the case company it can be stated that only few direct competitors could be identified that serve all those segments that are targeted by the case company. The identification of German direct competitors proved to be a challenge, since data concerning engineering companies serving the food, chemical and pharmaceutical industry appeared to be rarely available. Nevertheless, by reviewing the member lists of several associations such as the Fachverband Anlagenbau. Energie. Umwelt. Prozessindustrie. (FDBR), consulting various databases of authorities, determining relevant keywords and executing numerous search queries, the TOP 20 strong, direct competitors of Tebodin could have been identified.

Upon evaluating the threat emanating from the different competitors by means of the CPM different weights have been assigned to the various critical success factors according to the significance of the factor for a company's success and the threat for Tebodin resulting thereof.

Critical success factor	Weighing description
Company size	The greater the size of the company the greater the company's workforce, expertise and capacity and thus also the capability to execute large projects targeted by Tebodin. company size of competitors is regarded to be a factor which threatens the success of the future operations seriously => <i>above average weight (AAW)</i>
Service range	The range of services offered appears to be one the most essential success factor since most of the clients select the supplier which can offer most in most varieties and only few engineering companies offer a 360°C all-round carefree package; Although the term EPCM always covers the basics implied this does not necessarily mean that EPCM also comprises additional services => <i>AAW</i>
Variety of market segments served	Although the variety of market segments served plays an important role it does not really make a difference either companies threaten the success of operations by serving only one segment but are more specialised in that segment or by serving the same variety of segments but at the same specialisation level => <i>average weight (AW)</i>
Local market presence	The closer supplier's subsidiary is located the quicker the response time may be in case an unforeseen incident occurs. however this is often not a main criteria, since the site may also be located elsewhere => <i>AW</i>



Current marketing activities	The more effort is spent to create awareness and to promote the firms services the higher the threat emanating, however, expertise is top-notch => <i>AW</i>
Internationality	The more proactive a supplier appears to be in pulling the orders the higher the threat of the competitor, however traditional industry firms remain to be rather reactive thus the threat of proactivity is rather moderate => <i>below average weight (BAW)</i>
Proactivity	There may be some customers who choose their partner based on the ability to also execute projects in other countries in order to be able to build a long-term relationship with the engineering supplier. However, this is not a main criteria in any case => <i>BAW</i>
Resources	Belonging to a larger group of companies rather than being a single company also at least to some degree grants access to the resources of the group and stability, however these resources are normally not that crucial for the firm success in daily operations => <i>BAW</i>
Experience	The longer the company operates in the same field the more experience it has gained and the higher the quality and reliability of the services => <i>AAW</i>
References	The better the given references fit to the clients individual situation and the more satisfying the reference is the more trust can be build up, thus references are especially important for the German clients => <i>AAW</i>

Table 20: Description of critical success factors for competitive profile matrix (CPM)

All companies rated can achieve a rating between 1 and 4, where the lowest score is only given if analysis have shown that this particular critical success factor is rarely or even non-existent in the company evaluated.

		<i>Tebodin</i>	<i>Tebodin</i>
Critical success factor	Weight	Rating	Weighted score
Company size	0.11	4	0.44
Service range	0.12	4	0.48
Variety of market segments served	0.08	3	0.24
Local market presence	0.10	1	0.10
Current marketing activities	0.10	3.5	0.35
Proactivity	0.09	3	0.27
Internationality	0.08	4	0.32
Resources	0.09	4	0.36
References	0.12	3	0.36
Total	1.00		3.36

Table 21: Competitive profile matrix of Tebodin



6.2 Identification and evaluation of competitors present on the German market (TOP 20)

Based on the before-mentioned criteria, an analysis of the various direct competitors has been performed and summary profiles of the TOP 20, direct competitors have been established. According to the findings resulting from the various analyses and profiles of the different competitors, the following scores could have been assigned for each competitor. Please note that all data given in the subsequent paragraphs solely originate from subjective considerations and judgements made by the researcher.

Critical success factor	Weight	Rating	Weighted score (WS)	Rating	WS	Rating	WS	Rating	WS	Rating	WS
Company size	0.11	2	0.22	2	0.22	4	0.44	1	0.11	2	0.22
Service range	0.12	4	0.48	4	0.48	4	0.48	2	0.24	3	0.36
Variety of market segments served	0.08	3	0.24	4	0.32	4	0.32	2	0.16	4	0.32
Local market presence	0.10	2.5	0.25	2	0.20	3	0.30	1	0.10	3	0.30
Current marketing activities	0.10	2.5	0.25	3	0.30	3	0.30	1.5	0.15	1	0.10
Proactivity	0.09	2	0.18	3	0.27	2.5	0.225	1	0.09	1	0.09
Internationality	0.08	1	0.08	1	0.08	4	0.32	1	0.08	1	0.08
Resources	0.09	4	0.36	2.5	0.225	4	0.36	1	0.09	2	0.18
Experience	0.11	4	0.44	4	0.44	4	0.44	1	0.11	1	0.11
References	0.12	3	0.36	3	0.36	4	0.48	1	0.12	1	0.12
Total	1.00		2.86		2.9		3.67		1.25		1.88

Table 22: Competitive profile matrices of the TOP 20 direct competitors of the case company



Critical success factor	Weight	Rating	WS	Rating	WS	Rating	WS	Rating	WS	Rating	WS
Company size	0.11	3	0.33	4	0.44	4	0.44	4	0.44	2	0.22
Service range	0.12	4	0.48	4	0.48	4	0.48	4	0.48	4	0.48
Variety of market segments served	0.08	2	0.16	2	0.16	3	0.24	3	0.24	3	0.24
Local market presence	0.10	2.5	0.25	2	0.20	2	0.20	4	0.40	2	0.20
Current marketing activities	0.10	4	0.40	4	0.40	1	0.10	2	0.20	2	0.20
Proactivity	0.09	3	0.27	4	0.27	1	0.09	1	0.09	1	0.09
Internationality	0.08	4	0.32	3	0.24	4	0.32	4	0.32	1	0.08
Resources	0.09	4	0.36	4	0.36	4	0.36	4	0.36	1	0.09
Experience	0.11	4	0.44	4	0.44	4	0.44	4	0.44	2	0.22
References	0.12	4	0.48	2	0.24	3	0.36	2	0.24	2	0.24
Total	1.00		3.49		3.23		3.03		3.21		2.06

Table 23: Competitive profile matrices of the TOP 20 direct competitors of the case company (continued)



Critical success factor	Weight	Rating	WS	Rating	WS	Rating	WS	Rating	WS	Rating	WS
Company size	0.11	2	0.22	4	0.44	1	0.11	2	0.22	1	0.11
Service range	0.12	4	0.48	4	0.48	2	0.24	4	0.48	3	0.36
Variety of market segments served	0.08	3	0.24	1	0.08	3	0.24	3	0.32	1	0.08
Local market presence	0.10	3	0.30	1	0.10	1	0.10	3	0.30	1	0.10
Current marketing activities	0.10	2.5	0.25	4	0.40	1	0.10	2	0.20	1	0.10
Proactivity	0.09	2	0.18	3	0.27	1	0.09	2	0.18	1	0.10
Internationality	0.08	2	0.16	4	0.32	1	0.08	4	0.32	1	0.08
Resources	0.09	2	0.18	4	0.36	1	0.09	4	0.36	1	0.09
Experience	0.11	2	0.22	4	0.44	2	0.22	3	0.33	2	0.22
References	0.12	4	0.48	3	0.36	3	0.36	3	0.36	1	0.12
Total	1.00		2.71		3.25		1.63		3.07		1.36

Table 24: Competitive profile matrices of the TOP 20 direct competitors of the case company (continued2)



Critical success factor	Weight	Rating	WS	Rating	WS	Rating	WS	Rating	WS	Rating	WS
Company size	0.11	1	0.11	1	0.11	1	0.11	4	0.44	4	0.44
Service range	0.12	3	0.36	3	0.36	3	0.36	4	0.48	3	0.36
Variety of market segments served	0.08	2	0.16	4	0.16	3	0.24	3	0.24	3	0.24
Local market presence	0.10	2	0.20	3	0.30	1	0.10	1	0.10	4	0.40
Current marketing activities	0.10	1	0.10	1	0.10	2	0.10	2.5	0.30	3	0.30
Proactivity	0.09	1	0.09	1	0.09	2	0.18	2	0.18	2	0.18
Internationality	0.08	1	0.08	1	0.08	1	0.08	4	0.32	4	0.32
Resources	0.09	1	0.09	3	0.09	1	0.09	4	0.36	4	0.36
Experience	0.11	1	0.11	4	0.44	1	0.11	4	0.44	4	0.44
References	0.12	1	0.12	1	0.12	1	0.12	3	0.48	1	0.12
Total	1.00		1.42		1.85		1.49		3.34		3.16

Table 25: Competitive profile matrices of the TOP 20 direct competitors of the case company (continued3)

* = serving the food sector

(green) = foreign-based supplier

(blue) = supplier headquartered in Germany



Company	Location HQ	Location Subsidiary
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████
██████████		██████████

Table 26: Summary of TOP 20 direct competitors' locations



Figure 15: Depiction of German headquarter locations of the TOP20 direct competitors



6.4 Further critical aspects

Unfortunately it has not been possible to gain any further knowledge about the exact man hour rates of the German competitors. However, research has shown that an average German design engineer earns an hour rate of approx. €70 to €100 in Germany.

At this point it is also worth mentioning that the hour rate for design engineers varies significantly dependent on the engineer's experience, responsibility and position (junior, senior etc.) as well as the region of Germany in which the engineer operates. Generally it can be stated that the hour rates for design engineers appear to be lowest in Eastern Germany, while Southern Germany as well as Hessen appear to be leading in regard to engineering tariffs. (Gehalt.de, 2016) Ultimately, hour rates for design engineers also vary essentially between the rural and urban areas in Germany.

Due to the fact that the primary focus of Tebodin remains to be to deliver services of outstanding quality, rather than competing on price, the hour rates offered by Tebodin are on average 20 – 30% higher than those of the future German competitors, when considering the food sector. Moreover, travel and lodging cost also have to be taking into account when executing projects in Germany, at least in the initial phase.

In addition, many German companies, especially the huge players still have their own in-house engineering departments for planning plant expansions or the engineering of new production plans. However, in line with the current trend of outsourcing supporting functions, while concentrating on the company's core activities, in order to reduce the company's overheads, a continuous reduction of these in-house engineering departments can also be observed on the German market.

In regard to the service ranges offered by the various competitors it can be stated more than half of the identified competitors do offer EPCM services. Nevertheless, it has also been discovered that the EPCM services provided, seldom include consultancy services comparable to those provided by the case company. The range of consultancy services offered by the direct German is less extensive than the range provided by Tebodin. In addition, it became clear that for the competitors the term EPCM does not necessarily include consultancy services, since the majority of the competitors name their range of consultancy services offered separately.



Key findings and conclusions

Although the number of registered engineers is considerably high especially in the target regions in northwest Germany, the successful launch of the services of Tebodin appears to be quite feasible, since only a fraction of all registered engineers are working for companies that are serving the target markets of Tebodin. The results of the analyses carried out, also indicate that the majority of the engineering companies operating in the German market are rather small and thus are usually not possess the capacity to offer engineering and consulting services in the scope and quality as provided by Tebodin.

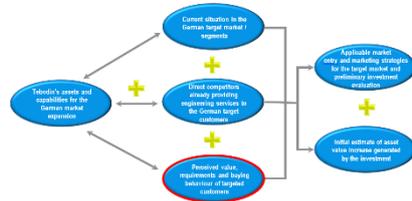
Furthermore, it can be stated that only a subset of all firms which are generally comparable to Tebodin. In addition, the analyses of the TOP20 identified competitors has shown that there are only three serious competitors which are headquartered in Germany. While the majority of serious foreign-based competitors operating in Germany are serving the chemical, pharmaceutical an oil & gas market, only one serious foreign-based competitor is serving the food market. All in all it can be stated that the German market remains to be very attractive. Although there are already many engineering companies serving certain fractions if the German target markets and thus appear to be more specialised, the normally lack the capacity to execute projects in the scope of Tebodin.

However, especially the bargaining power of huge industry customers remains to be very high, since many companies in the different industry sectors still have their own in-house engineering departments. The bargaining power of few huge suppliers appears to be manageable since Tebodin also has a considerable negotiation power and possesses considerable resources due to the fact that it is a huge company and part of the Bilfinger group. Furthermore, the threat of substitute products as well as the threat of new competitors entering the market can be regarded as relatively low, since a huge amount of resources as well as highly-qualified, capable personnel and a wide network is required in order to realize the scope of projects that Tebodin deals with. Ultimately, the complex services offered are highly customised to the needs of the customers, hence substitute products for such engineering and consultancy services appear to be rarely available.



7

ANALYSIS OF THE TARGET CUSTOMERS' BUYING BEHAVIOUR & VALUE PERCEPTION



7.1 The customer survey questionnaire

Based on the operationalised functional and rational value creating activities described in the theoretical framework a structured, quantitative research questionnaire has been developed by the researcher. The developed customer questionnaire is meant to validate the findings of the preceding internal and external analyses and to gain further insights regarding the buying behaviour, value perception and requirements of the potential German food customers. The survey questionnaire, which has been especially developed for conducting telephone interviews, primarily consists of summated rating scales, in form of bipolar, 5- choice Likert scales, complemented by binary items and open-ended research questions.

A summary of the various scales and items of the established customer survey questionnaire is displayed below. Please see appendix III for the detailed questionnaire.

Scale	Item
Unternehmen	Welche Art von Lebensmitteln stellt Ihr Unternehmen her?
	Wie viele Mitarbeiter beschäftigt Ihr Unternehmen derzeit?
Einschätzung der derzeitigen wirtschaftlichen Lage innerhalb der Branche	In den vergangenen 2 Jahren ist die Nachfrage nach Lebensmitteln dieser Art....
	In den vergangenen 2 Jahren ist der Umsatz unseres Unternehmens....
	Wir sind zuversichtlich dass unsere Branche in Zukunft wachsen wird
	Die Zukunftsaussichten für UNSER Unternehmen schätzen wir positiv ein.
	Der steigende Wettbewerbsdruck macht uns zu schaffen.
Werte des Unternehmens	Bei der Herstellung unserer Produkte spielt die Nachhaltigkeit unserer Produktionsprozesse eine untergeordnete Rolle.
	Bei der Herstellung unserer Produkte verwenden wir ausschließlich modernste Produktionsverfahren
	Eine Beratung bezüglich der Verbesserung der des Energieverbrauchs innerhalb des Produktionsprozesses erachten wir als....
	Unser Ziel ist es die Effizienz unseres Produktionsprozesses kontinuierlich zu verbessern.
	Eine Beratung bezüglich der Verbesserung der Produktionssicherheit erachten wir als....
Unternehmensinvestitionen	Planen Sie in den kommenden 2 Jahren Investitionen bezüglich der Modernisierung, der Erweiterung oder des Neubaus von Produktionsstätten?
	Welche Art von Investition ist vorgesehen?
	In welcher Größenordnung liegen die geplanten Investitionen für Produktionsstätten?
	Wie werden Sie die baulichen Maßnahmen voraussichtlich realisieren?



	Was sind Ihre Beweggründe für die obige Entscheidung?
	Haben Sie in den vergangenen 2 Jahren Maßnahmen ergriffen um bestehende Produktionsstätten zu modernisieren, zu erweitern oder neu zu bauen?
	Welche (baulichen) Maßnahmen sind durchgeführt worden?
	Wie wurden die Maßnahmen realisiert?
	Was sind die Gründe für die obige Entscheidung?
	Welche konkreten Aufgaben hat das ausgewählte Ingenieurbüro übernommen?
	Mit der Qualität der vom Ingenieurbüro erbrachten Leistungen waren wir.....
	Was könnte Ihrer Meinung nach an den in der Vergangenheit erbrachten Ingenieurleistungen noch verbessert werden? (Wünsche)
Bewertung der Ingenieurleistungen	Wie verschaffen Sie sich einen Überblick über das Marktangebot?
	Nach welchen Kriterien wählen Sie den optimalen Partner für die Durchführung des jeweiligen Projekts aus?
	Wer trifft in Ihrem Unternehmen letztendlich die finale Entscheidung, an welchen Dienstleister der Auftrag vergeben wird?
Stärken des Projektpartners	Bei der Partnerauswahl spielt die Flexibilität des Anbieters eine entscheidende Rolle.
	In vollem Umfang über den Verlauf des Projekts informiert zu sein ist von großer Bedeutung.
	Alltägliche Probleme im Projektverlauf zu lösen liegt einzig und allein in der Verantwortung der beauftragten Partei.
	Planungsgenauigkeit ist bei Projektdurchführung von allergrößter Bedeutung
	Die Einhaltung des Budgetrahmens spielt für uns eine untergeordnete Rolle.
	Wir sind uns bewusst dass der Begriff EPCM auch sämtliche Beratungsdienstleistungen umfasst.
	Eine Kontaktperson für alle Belange im Partnerunternehmen zu haben ist für uns enorm wichtig.
	Kontinuierlicher, gegenseitiger Informationsaustausch spielt für uns eine untergeordnete Rolle.
	Die Qualität der erbrachten Leistung spielt für uns eine untergeordnete Rolle.
	Die Nationalität des Leistungserbringers spielt für uns eine untergeordnete Rolle.
	Auch auf Projektunterstützende Dienstleistung wie zum Beispiel den verantwortungsvollen Umgang mit Medien legen wir großen Wert.
	Bei der Auswahl des Projektpartners achten wir darauf dass die Partei die den Auftrag erhält in der Nähe des Projektstandorts ansässig ist.
	Das Fachwissen der Partnerpartei spielt bei der Auftragsvergabe eine entscheidende Rolle.
Langjährige Erfahrung spielt bei der Auswahl des Projektpartners eine untergeordnete Rolle.	

Table 27: Summary of customer questionnaire items (2)

From the researcher's past experiences it can be stated that the consistency of a potential business partner's statements or a lack thereof often bears a high potential to significantly affect the success of a company's business operations in Germany. The underlying reasons for that will be explained in more detail in the following chapter. During the first research stage it has been found that due to the complex company structures of Tebodin and Bilfinger, decision-making processes concerning strategic issues that may affect the company's operations considerably over the long-term, such as the German market entry, are lengthy and the decisions made are often revised.



Due to the fact that case company's management has not made final basic decisions upon important strategic issues such as e.g. what the name of the German subsidiary should be, what it should stand for and how it should be positioned on the German market, it was unfortunately not yet possible to execute the developed questionnaire during the current research phase, without risking to jeopardise the consistency of the company's statements, in the perception of the German client. Consequently, it has been decided to postpone the execution of the survey among companies operating within the various German food sectors to later stages of the market entry, when the fundamental decisions mentioned above have been made.

However, after having conducted the survey, it is highly recommended to run the following tests in SPSS in order to analyse the gathered data.



Quantitative questionnaire analysis with SPSS

Recommended Action/ Test	Items involved	Underlying variable measured / Hypotheses	Analysis purpose
Frequency Table	Welche Art von Lebensmitteln stellt Ihr Unternehmen her?	Frequency of each food segment	What food segment is to what degree represented by the current survey?
Frequency Table	Wie viele Mitarbeiter beschäftigt Ihr Unternehmen derzeit?	Frequency of large, medium and small companies in the food sector	What company sizes are represented by the survey to what degree?
Frequency Table	In welcher Größenordnung liegen die geplanten Investitionen für Produktionsstätten	Frequency of different investment amounts in the food sec	Which investment category appears most frequently within the food sector
Cross Tabulation	Welche Art von Lebensmitteln stellt Ihr Unternehmen her? Wie viele Mitarbeiter beschäftigt Ihr Unternehmen derzeit?	Share of company sizes in the different segments that are represented	How many companies within the different segments are small, medium-sized or large firms?
Cross Tabulation	Welche Art von Lebensmitteln stellt Ihr Unternehmen her? Planen Sie in den kommenden 2 Jahren Investitionen bezüglich der Modernisierung, der Erweiterung oder des Neubaus von Produktionsstätten?	Share of companies that are planning to undertake investments in the different segments	How many companies within the different segments are currently planning future investments?
Cross Tabulation	Welche Art von Lebensmitteln stellt Ihr Unternehmen her? Haben Sie in den vergangenen 2 Jahren Maßnahmen ergriffen um bestehende Produktionsstätten zu modernisieren, zu erweitern oder neu zu bauen?	Share of companies that already have undertaken investments in the different segments	How many companies within the different segments have already undertaken investments in the past?
Cross Tabulation	Welche Art von Lebensmitteln stellt Ihr Unternehmen her? Wie werden Sie die baulichen Maßnahmen voraussichtlich realisieren?	Share of companies that are planning to give or have already given the project to an external party within in the different segments	How many companies within the different segments have given/ will give the project to an external partner?
Descriptive statistics	Welche Art von Lebensmitteln stellt Ihr Unternehmen her? In welcher Größenordnung liegen / lagen die geplanten Investitionen für Produktionsstätten	Share of investment categories within the different segments	What are the differences in investment
Descriptive statistics	Stärken des Projektpartners	Scores of the different items in the scale	What item in the scale gets the highest score



Recommended Action/ Test	Items involved	Underlying variable measured / Hypotheses	Analysis purpose
One-way Anova	Werte des Unternehmens (score) Welche Art von Lebensmitteln stellt Ihr Unternehmen her?	$H_0: \mu_1 = \mu_2 = \mu_3 \dots = \mu_{15}$ $H_a: \text{Not all } \mu_i\text{'s are equal}$ Levence test: check assumption of equal variances Bonferroni	Are there significant differences in the means of the several segments concerning the values of the company?
One-way Anova	Einschätzung der derzeitigen wirtschaftlichen Lage innerhalb der Branche (score) Welche Art von Lebensmitteln stellt Ihr Unternehmen her?	$H_0: \mu_1 = \mu_2 = \mu_3 \dots = \mu_{15}$ $H_a: \text{Not all } \mu_i\text{'s are equal}$ Levence test: check assumption of equal variances Bonferroni	Are there significant differences in the mean scores regarding the evaluation of the current economic situation among the different segments?
Simple regression analysis	Einschätzung der derzeitigen wirtschaftlichen Lage innerhalb der Branche (score) In welcher Größenordnung liegen / lagen die geplanten Investitionen für Produktionsstätten	Relationship between the scale score and the amount invested	Is there a relationship between the evaluation of the economic situation and the amount invested each year?
Simple regression analysis	Werte des Unternehmens (score) In welcher Größenordnung liegen / lagen die geplanten Investitionen für Produktionsstätten	Relationship between the scale score and the amount invested	Is there a relationship between the values of the company and the amount invested each year?
Cronbach's Alpha	Werte des Unternehmens	Reliability among the different items within the scale	-
Cronbach's Alpha	Einschätzung der derzeitigen wirtschaftlichen Lage innerhalb der Branche (score)	Reliability among the different items within the scale	-
Cronbach's Alpha	Stärken des Projektpartners	Reliability among the different items within the scale	-

Table 28: Preliminary analysis framework for quantitative customer questionnaire analysis with SP



8

CONFRONTATION OF RESEARCH FINDINGS OF THE PREVIOUS RESEARCH STAGES

In the following paragraphs the key findings of the previous four research stages are recapitalised and opposed to one another. Generally, it can be stated that the case company Tebodin Netherlands B.V. possesses a variety of valuable resources that can be applied to take advantage of the huge potential the German market offers.

Despite the currently difficult economic situation, the strict European as well as national regulations and significant losses in the export to third countries, the various food segments and especially the three leading ones, have still been able to record slight growth. In some industries this subsequently leads to strong investments in fixed assets. Especially the German federal states Nordrhein-Westfalen and Niedersachsen offer numerous benefits for a settled company as multiple small food processing companies, offering huge potential, and also the great players can be found in these regions. Furthermore, a food cluster could have been identified in the Münsterland, a region in NRW, bordering the Netherlands as well as the federal state Niedersachsen. However, the competitive situation in the food sector is tense in this days. While food prices constantly decrease, the quality and documentation demands of sophisticated consumers as well as of national and European authorities grow incessantly. Particularly the SME's, by which the industry is shaped, suffer enormously, having a hard time to survive. Tebodin is able to provide these companies with the support they require to overcome the challenges faced and to ensure the success of the company's operations. Through either providing them with professional advice regarding energy efficiency, sustainability, and project feasibility or through realising an expansion or modernization of production facilities Tebodin can support the potential clients to improve their current situation significantly.

Nevertheless, from the performed analyses it can be concluded that a perspective change will be necessary in order to realise Tebodin's overall objective of achieving continuous, healthy growth through expanding its operations to further geographical markets. Research has shown that the company's management and employees have already identified many company strengths and resources that may act as valuable instruments upon developing further geographical markets. However, in the researcher's perception which originates from the researcher's German nationality, past experiences as well as the current observations and analyses, it can also be stated that essential resources that may be very beneficial for the German market development have not been taken into consideration yet, while some resources that are considered as valuable simply are not. Furthermore, several weaknesses have been identified that bear the potential to seriously jeopardise the success of the German business operations, if not being eliminated or even transferred into strengths before the start of operations. Although the company's PR department is aimed to implement new ideas and to make use of modern communication technologies the company's management and employees are primarily focused on improving the operational excellence of the company's internal processes.

This in turn results in the fact that the current focus lies on promoting the employer brand Tebodin, in order to attain, retain and develop highly-skilled experts which are expected to contribute considerably to the superior value delivery to the company's clients.



However, while being aimed to deliver services of outstanding quality to the customer, the company does not apply the various marketing tools effectively to promote the company's services to its potential clients. One possible explanation for this phenomenon may be that while having been a well-established company in the Netherlands, constantly supplying strong customers in the oil & gas, chemical, pharmaceutical and agro-food sectors for over seventy years, adopting a perspective which also takes the external market environment into account, proactively promoting the company's services has simply not been necessary, since orders have been received constantly. Nevertheless, in the current situation where the oil price has dropped significantly and investments are postponed or even cancelled, adopting a perspective that accounts for both, the quality and efficiency of the company's service delivery processes and the developments in the company's external environment, is strongly advised.

Especially when being aimed to expand the company's business operations to further countries where the company brand is not yet popular, extensive marketing activities are the most essential ingredient for being able to enter the foreign markets successfully, to create awareness and to position the company's services. The need for marketing is even intensified for complex services, such as those offered by Tebodin. Services as such are characterised by: intangibility, heterogeneity, inseparability and perishability (Blut, Beatty, Evanschitzky, & Brock, 2014). In addition, the processes and procedures executed during a project have proven to be rather complex, so that potential customers may lack the ability to fully understand the service offering which in turn may have an adverse effect the willingness to make use of the service. (Burnham, Frels & Mahajan, 2003) Accordingly, extensive supporting documentation will be necessary to make the quality of the services evident. Thus, the marketing and public relation (PR) activities of Tebodin once more appear to be of utmost importance for realising foreign market entries successfully. In turn, at least for this project the primary focus has to be on supporting activities such as marketing and PR, since if the company does not manage to create awareness and to generate demand through promoting the services provided appropriately, the foreign customers will not place any orders, which in consequence also makes any efforts regarding quality and process improvements and operational excellence obsolete, since the company simply does not get the chance to execute projects for new customers.

When taking the current plans concerning the German market development into account it can be stated that the need for intensive marketing is multiple times higher for the German market for two reasons.

- ❖ *Many small engineering companies are already settled in the German market, which appear to be direct competitors of Tebodin.*
- ❖ *Germans remain to be suspicious by nature.*

While most of the companies already operating in the German market do not possess the capacities to provide engineering and consultancy services in the scope and quality as offered by Tebodin, these competitors appear to be more specialised, only serving a fraction of the markets that are served by Tebodin. In addition, although they are constantly decreased many companies in the different industry sectors still have their own in-house engineering departments.

Another aspect that has to be taken into consideration is that Tebodin offers services of outstanding quality and will not be able to compete on price, since analyses have shown that the hour rates are generally much lower in Germany than in the Netherlands.



Scoring high on both uncertainty avoidance and masculinity, many typical German characteristics and habits can be traced back to culture. One aspect which definitely reflects the German preference for uncertainty avoidance is the fact that Germans remain to be strongly reluctant to things that are different to the things they are used to and to partners they do not know yet. Thus, a foreign party who is aimed to enter and to develop the German market has to be very patient and persistent, investing a considerable degree of time and effort over an extended period.

However, once the Germans are convinced about the quality of a product or service and that the providing party will be a reliable partner, German remain to be extremely loyal to the business partners once adopted, since switching again means uncertainty. Although this aspect is very beneficial when being in the position of the party that has already been adopted, this circumstance additionally increases the entry barrier to the German market significantly. Thus, extensive marketing and PR activities will be necessary to make the customer aware of the fact that Tebodin exists, to convince the German customers of and to pull demand for the services offered by the company.

Due to the fact that issues such as expertise and quality appear to be top-notch in Germany, the existing marketing material can be regarded to be too general in order to fulfil its purpose of convincing the various German potential customers who are operating in the different food segments. Stating to be responsive to the customer's individual needs it is strongly advised to prepare customised, detailed marketing material for each individual food segment, which reflects this claim, since another aspect in regard to uncertainty avoidance, which is of utmost importance for the Germans, is the partner's consistency.

While the term consistency in this case describes the consistency among the supplier's claims, the supporting promotional material and the subsequent actions performed, this term also includes consistency among the different statements made as well as among the different activities performed.



For the current plans of Tebodin this actually means that the focus for the German subsidiary should clearly be to eliminate these inconsistencies and inefficiencies through clearly defining the areas of responsibility for the different employees, ensuring a continuous information flow and extensive cooperation among the departments and establishing clear guidelines for dealing with customers. Furthermore, Germans prefer to have one contact person for all transactions, who they know and trust. Alternating and/ or uninformed contact persons cause the German customer to doubt the reliability and capability of the supplier to perform its task effectively.





However, uncoordinated and unstructured performances are unacceptable for Germans. Bearing the capacity to reduce uncertainty, continuity should thus be highly emphasised in future. Besides the continuity in contact persons this also includes taking a decision what the brand Tebodin should stand for in future and promoting the brand as well as acting accordingly. In addition, speaking the same language appears to be an essential factor to ensure immaculate communications and thus avoiding misunderstandings and uncertainty. Due to fact that it is not yet a matter of course for Germans to speak foreign languages, it would therefore be highly recommended to set German as primary communication language for the German subsidiary.

Another aspect for which Germans are extremely famous is “Gründlichkeit und Pünktlichkeit” which in turn results in extreme attention to detail and huge differences in regard to the way issues are interpreted. One example are for this phenomenon are for example typing mistakes in sales material. While Dutch customers may regard typing mistakes in sales material as a marginal thing, occurring because the focus of the company clearly lies on the delivery of superior services rather than perfect sales material, the majority of German customers would interpret typing mistakes as follows: “If the company does not even put effort in minor things such as the correctness of the sales material, how do the provided services look like?”. In addition, Germans require accurate evidence for each and every bit offered, therefore extensive supporting documentation as well as certificates and references are highly valued as initial performance indicators. Furthermore, many individuals are often involved in the client’s decision-making processes according to the firm’s hierarchy. This in turn results in lengthy decision-making processes. Nevertheless, once a decision has been made Germans seldom revise it. The before-mentioned issues and behaviour can indeed be explained by both, uncertainty avoidance and masculinity. While the Netherlands are scoring high on femininity the Germans score high on masculinity. This in turn means that while hierarchical levels and status of the business partner’s employees involved play a rather subordinate role in the Netherlands these attributes remain to be of utmost importance in Germany. Thus, when being aimed to do business with Germans, Dutch companies are well-advised to make sure that the employees sent to negotiations are on the same hierarchal level as their German counterparts, in order to be taken serious.

Although some of the company’s employees are of the opinion that there are only marginal differences between doing business in the Netherlands and in Germany, it can ultimately be stated that there remain to be considerable differences between the two nations. Ultimately, research has shown that the lack of external orientation of the company as well as the lack of cultural understanding and the insufficient questioning of the German behaviour consequently, led to the development of false assumptions about what Germans perceive and require.



The false assumptions and conclusions as well as their resolution can be summarized as follows:

❖ [Redacted text block]

❖ [Redacted text block]

❖ [Redacted text block]

❖ [Redacted text block]

❖ [Redacted text block]



Ultimately, research has also shown that the employees are sometimes too far ahead in their thinking. When asking them which resources may be valuable for realising the German market entry successfully and to convince the client of selecting Tebodin as project partner, answers frequently given primary highlighted issues the company is great at when having been selected once. Nevertheless, [REDACTED]

[REDACTED] they first have to be selected for the partnership and have to build up relationships that are characterised by trust. That is where in the researcher's perception the company's multiple marketing and PR tools come into play again. [REDACTED]

[REDACTED]

[REDACTED]

9

MOST APPROPRIATE MARKET ENTRY & MARKETING STRATEGIES



The key findings concerning the fifth research question: “What would be applicable market entry and marketing strategies and the investment associated with promoting and positioning the engineering and consultancy services on the German market?”, are presented in the following paragraphs. The theoretical concepts developed by Rasheed (2005), Pehrsson (2008), and López-Duarte & Vidal-Suárez (2013) acted as a fundamental cornerstone upon performing the underlying analysis.

9.1 The most appropriate market entry strategy

Generally, there are four organizational forms that can be utilised by foreign organizations to enter the German market: 1. the establishment of a representative office (Repräsentanz); 2. the establishment of a plant (Betriebsstätte); 3. the establishment of a branch office (Zweigniederlassung) or 4. the establishment of a domestic subsidiary (inländische Tochtergesellschaft). (IHK Nord Westfalen, 2015) Upon recapitalising the current research findings, it becomes clear that the current strategic objectives can best be realised by opening a domestic subsidiary. As already stated before German industry customers generally put high value on attributes such as honesty, reliability, consistency, accuracy, transparency and commitment, when it comes to building up strategic long-term partnerships. In this context, the formation of a domestic subsidiary appears to be of utmost importance, since this would not only reflect but also actively promote the company’s philosophy that “settling in local markets and blending with local people is essential to understand the culture and individual needs of the customers.” (Tebodin, 2015) In addition, the willingness of Tebodin to make some commitment to the host country, through setting up a German domestic subsidiary and allocating an appropriate degree of resources to the new entity, may also be perceived as a positive signal by both existing as well as potential customers. By providing the existing and potential customers with a certain degree of security, this step ultimately grants great opportunities to build up strategic long-term relationships and to establish a positive reputation at justifiable risk.

Ultimately, the domestic subsidiary remains to be the only organisational form, which fulfils the identified fundamental requirement of various German customers. The majority of the German customers prefer doing business with German business partners. Consequently, in order to be able to do business with the wide majority of the German companies targeted, Tebodin is required to set up a true German entity – legally separated from the parent company. Legal forms that are commonly used by foreign organisations are: Rechtsformen der offenen Handelsgesellschaft (OHG), Kommanditgesellschaft (KG), Gesellschaft mit beschränkter Haftung (GmbH) or Aktiengesellschaft (AG). The German legal form GmbH offers manifold benefits, compared to the other legal forms named before. Whereas, the first two organisational forms are business partnerships, the latter two remain to be corporate enterprises. (IHK Nord Westfalen, 2015)



As a type of corporation, the GmbH offers the great advantage that the liability of partners is limited to their stake in the company, whereas with business partnerships such as OHG and KG, the liability of the different partners remains to be, at least partly, unlimited. Besides manifold benefits a GmbH undoubtedly offers, the great advantage of a GmbH compared to an AG is that the foundation of a GmbH is less complex and requires with €25.000, only half of the nominal capital that would be needed to set up an AG. (IHK Nord Westfalen, 2015)

From the various analyses that have been conducted during the current research phase, it became clear that numerous resources that are expected to deliver superior value to the potential customers, can be traced back to the unique company culture of Tebodin, which in turn has its roots in the Dutch culture. From past experiences and statements of German customers the company's management and employees concluded that Germans generally prefer to do business with Germans. Therefore, it has been planned to employ only German natives in the German subsidiary. However, the before-mentioned reasons clearly invalidate this conclusion. In contrast, from the researcher's background it can be stated that Germans generally highly value the Dutch typical attributes such as e.g. the solution-oriented attitude that is also reflected in the current company culture. [REDACTED]

By following the original plan of solely employing German natives in the German subsidiary various benefits that can be considered as extremely valuable, especially on the German market, would be eliminated. In order to avoid that valuable resources become idle, the researcher strongly suggests to adopt a company structure for the future German subsidiary consisting of both, German natives and Dutch experts. [REDACTED]

[REDACTED] ensuring a sound communication between the company's employees and the customer, as suggested by Selnes (1998 cited by Salomonson, Åberg, & Allwood, 2012) and Ballantyne (2004), [REDACTED]

[REDACTED] provides the potential German business partners with a certain degree of security, by bridging intercultural gaps, avoiding misinterpretation of the counterparts' behaviour [REDACTED]

[REDACTED] Thus, the strategic and financial efforts undertaken by the case company to establish these concepts may be leveraged through not only contributing to the company's operational success on the Dutch, but also on the German market. Furthermore, deploying Dutch [REDACTED] for German project executions may lead to a significant reduction in investment-related risks.



The permanent employment of a sufficient number of German staff, in order to be able to execute middle-sized projects that may potentially be generated, inevitably leads to high overheads. In contrast, the secondment of Dutch [REDACTED] leaves more room for flexibility, while lowering the subsidiary's overheads and thus, the investment risk borne. This aspect appears to be especially critical in the initial phase of the German business operations, where the sufficient acquisition of projects may be rather insecure. Ultimately, the combination of Dutch and German employees also grants a great opportunity for mutual learning. [REDACTED]

Furthermore, it is highly recommended to initially concentrate all company efforts on the various German food segments. While the chemical as well as the pharmaceutical industry remain to be dominated by huge, international corporations, 95% of the companies operating in the food sector are SMEs. (BVE, 2015) In contrast to huge chemical and pharmaceutical organisations, which often have long-term framework agreements with their suppliers or who even have their own in-house engineering departments, SMEs often lack the capacity to realise complex plant modernisations or new plant constructions themselves. Thus, the entry barrier for a foreign company, which is new to the German market appears to be significantly lower for the food sector than for the pharmaceutical or the chemical sector. Remaining to be the fourth largest line of industry in the country the German food sector additionally, offers a very high potential for the engineering and consultancy services offered by Tebodin, having invested approx. €4bn in PP&E in 2014.

Another aspect which makes the German food sector especially attractive is the fact that the performed competitor analysis showed that the huge international engineering company's primary focus on the German chemical and pharmaceutical market. However, mainly few smaller German engineering companies are currently serving the food sector. Furthermore, the findings of the performed geographical market analysis and cluster analysis, strongly suggest to concentrate the initial business operations of the subsidiary on the German federal states Nordrhein-Westfalen and Niedersachsen as these states offer huge potential. A food cluster could have been identified in the Münsterland, as many target customers and the great food players as well as relevant suppliers and institutions can be found in this region. In addition, these federal states are directly bordering the Netherlands, which actually means that, if located in this region, the subsidiary's business operations could easily be supported by the Dutch offices where necessary. Moreover employee secondment is facilitated considerably. Taking the German suspiciousness, requirement for evidence and the German preference for uncertainty avoidance into account and linking these aspects to the fact that 30% of the overall production costs incurring in the manufacturing processes of food companies are energy costs, it appears to be highly recommended for the case company to strongly promote its consultancy services to the German food sector. Due to the fact that the monetary investments for consultancy services are lower than those involved with plant modernisations or construction, the risk associated with such investments is also considerably lower. Thus, German companies may be more willing to give a smaller consultancy project to a foreign, unknown company than the construction of an entire plant. Hence, in the perception of the researcher the consultancy services provided by the company may act as a door-opener. Once known and having proven to be a reliable partner, trust is build and there is a great chance for becoming an established partner for the execution of extensive engineering and construction projects, since another characteristic of the German business partners generally remains to be loyalty once a suitable, reliable business partner has been found.



9.2 Recommended marketing strategies

Especially in the initial phase of the German market entry and the subsequent development, considerable investments in marketing and communication will be required. In order to be able create awareness for the company's services, build a strong and valuable brand image for outstanding quality and thus, introduce and to position the company's engineering and consultancy services on the German market successfully, it is highly recommended to make use of all available marketing instruments. Since the company as well as the service range offered are not yet known in the German food sector even more intensive marketing efforts than those currently undertaken in the Netherlands are required. This effect is additionally leveraged through the condition that services remain to be intangible, heterogeneous, inseparable and perishable (Blut, Beatty, Evanschitzky, & Brock, 2014) and that Germans remain to be suspicious by nature. Thus, in order to actively promote and sufficiently evidence the outstanding quality of the offered services to the existing or potential customers appropriately, all available marketing and communication tools such as advertising and promotion, PR, direct marketing or personal selling should be applied. Upon analysing the marketing tools and instruments currently used it has been found that the company generally possesses all of the marketing and communication tools just mentioned.

Due to the fact that the complex services provided by the case company are targeted at industrial business sectors, promotional tools which involve a high degree of personal contact remain to be of utmost strategic importance for the success of the company's business operations. Thus, marketing instruments such as regular customer visits and on-site sales presentations as well as regular visits of business-related exhibitions and conferences have to be emphasised in every business-to-business marketing strategy. Besides the possibility of showing market presence and influencing the company's external appearance favourably, business fairs also offer various opportunities to socialise with new business partners, to cultivate existing partnerships and to build valuable networks. Another opportunity for building valuable networks would be to become a (sustaining) member of relevant industry associations. Furthermore, supporting sales literature in the form of brochures, flyers, project sheets and documentation or reference lists, giveaways and other promotional material, may act as valuable evidence. By informing the customer about the quality of the services such promotional tools contribute significantly to make the company's complex service offering visible.

Within its entire service offering, the company claims to be responsive to the customer's individual needs. Upon reviewing the currently existing marketing material it has been found that e.g. only one general market sheet exists for the food market. However, the German food sector consists of various segments with significantly divergent requirements. Accounting for the German preference for accuracy, consistency and expertise, and specialisation, it would be strongly recommended to deliver accompanying sales literature that reflects this claim. Thus, preparing customised marketing material for each individual food segment.





Führend in Effizienz und Produktivität

Die Lebensmittelindustrie ist eine der tragenden Säulen der westeuropäischen Volkswirtschaften. Als Spitzenbetriebe in Produktivität und Innovation wird der Lebensmittelbereich in diesem Teil der Welt vor große Herausforderungen gestellt. Die stetig steigende Nachfrage nach sicheren, gesunden und nachhaltigen Produkten stellt die gesamten Anlagensysteme vor neue Herausforderungen. Um diese zu bewältigen, sind innovative Lösungen erforderlich. In Zusammenarbeit mit unseren Kunden entwickeln wir innovative Lösungen, die die Produktion effizienter machen und die Nachhaltigkeit der Anlagen verbessern. Unsere Experten sind in der Lage, die Produktion zu optimieren und die Kosten zu senken. Unsere Experten sind in der Lage, die Produktion zu optimieren und die Kosten zu senken.

Tobodin Hygienic Design

Durch das steigende Qualitätsbewusstsein der Verbraucher und immer strengere Vorschriften ist ein hygienisches Produktdesign wichtiger denn je. Während der Fokus des Produktdesigns auf sicheren, gesunden und nachhaltigen Produkten liegt, spielt die Wirtschaftlichkeit weiterhin eine entscheidende Rolle. Um beiden Komponenten gerecht zu werden, ist es wichtig, hygienisches Design vollständig in den gesamten Anlagensystemen von Planung, Bau, Betrieb und Wartung zu integrieren. Mit dem Hygienic Design Scan bietet Tobodin eine kosteneffiziente Bewertung der gesamten Prozessanlage in Bezug auf die neuesten Industriestandards und unter Verwendung der besten, verfügbaren Techniken. Dieses Tool wurde durch unsere Tobodin Ingenieure entwickelt und basiert auf dem kollektiven Know-how und der langjährigen praktischen Industrieerfahrung unserer Experten. Gemäß den neuesten Richtlinien der European Hygienic Engineering & Design Group (EHEDG), sorgen unsere Scan-Tools für die notwendige Lebensmittelsicherheit in Ihren Produktionsprozessen.

Nachhaltigkeit

Tobodin ist Experte für die Entwicklung und Durchführung von nachhaltigen Lösungen. Wir als Ingenieure realisieren Nachhaltigkeit und stellen sicher, dass sowohl die Effizienz als auch die Einhaltung von Umweltstandards fest in Ihre Projekte integriert werden. Wir setzen Ihre Ziele in konkrete Projektqualifikatoren um, indem wir Ihnen folgende Dienstleistungen anbieten:

- Machbarkeitsbewertung von nachhaltigen Zielen
- Identifizierung potenzieller, nachhaltiger Lösungen und Chancen
- Auswahl von nachhaltigen Materialien und Systemen
- Nachhaltige Bewehrung von Materialien und Systemen
- Simulation von Energiesystemen, Schadstoffbilanzen, Luftmassen usw.
- Ingenieurbau gemäß LEED oder BREEAM

CONSULTING AND ENGINEERING SERVICES IN FOOD & BEVERAGE

Tobodin ist ein multidisziplinäres Beratungs- und Ingenieurunternehmen mit Standorten in 23 Ländern.

Zu unseren Kunden zählen namhafte Unternehmen auf der ganzen Welt.

Durch die Kombination aus dem Wissen und der Erfahrung unserer 4.800 engagierten Experten sind wir in der Lage, ein breites Spektrum von industriellen und Ingenieurdienstleistungen für regionale und internationale Kunden in einem breiten Spektrum von Industrieanlagen, wie zum Beispiel Chemikalien, Gesundheit und Ernährung, Öl & Gas, Energie & Umwelt, zu liefern.

Dieses Tobodin-Netzwerk aus 90 Niederlassungen bietet Ihnen die globale Expertise der voll integrierten Beratungs- und Ingenieurdienstleistungen und zum Ändern des lokalen Know-how, welches uns ermöglicht, das Investitionsvermögen in einem festgelegten Ziel- und Budgetrahmen fertigzustellen.

Diese Kombination hat bereits bei unzähligen Projekten zum Erfolg geführt. Tobodin ist Teil des internationalen Ingenieur- und Dienstleistungsunternehmens Bilfinger SE.



WE MAKE IDEAS WORK

Dank der Kombination aus technischer Kompetenz und einem starken Fokus auf die strategischen und kommerziellen Ziele unserer Kunden hat sich Tobodin als international bevorzugter Partner in der Nahrungsmittel- und Getränkeindustrie etabliert.

Unsere langfristigen Beziehungen mit vielen multinationalen Lebensmittelunternehmen basieren vor allem auf Vertrauen und gegenseitigem Verständnis.

Tobodins Mission ist es, die weltweit besten Beratungs- und Ingenieurdienstleistungen anzubieten. Durch unsere innovativen und nachhaltigen Lösungen möchten wir unsere Kunden stärken die Gesamtwirtschaft bereichern, in der sie leben und arbeiten.

Tobodins Mission ist es, die weltweit besten Beratungs- und Ingenieurdienstleistungen anzubieten. Durch unsere innovativen und nachhaltigen Lösungen möchten wir unsere Kunden stärken die Gesamtwirtschaft bereichern, in der sie leben und arbeiten.

Operational Excellence

Wenn Sie Ihre Bewertungen in Bezug auf KPI's wie Qualität, Taktzeit, Verfügbarkeit, Zuverlässigkeit, Flexibilität und Kosten managen möchten, ist unser Operational Excellence-Programm genau das Richtige für Sie. Wir analysieren Ihre aktuelle Betriebsleistung, ermitteln mögliche Engpässe in Ihren Prozessen, und zeigen Ihnen die besten Prozessverbesserungen für Ihre spezifische Situation auf.

In unserem ganzheitlichen Ansatz verwenden wir etablierte Methoden wie Lean Management, Overall Equipment Effectiveness (OEE) und Value Stream Mapping. Unsere Leistungen verbessern Ihre Flexibilität und Prozesskontrolle nachweislich. Durch die Reduzierung Ihrer Taktzeiten entstehen zusätzlich freie Kapazitäten, so dass Sie mehr produzieren können. So unterstützt Sie Tobodin bei der Optimierung Ihrer Produktivität und Gewinnmargen.

Sicherheit zu Ihren Lizenzbedingungen

Unsere Berater sind Experten für Umwelt- und Baugenehmigungen, Störungsmanagement, Gefahren- und Betriebsrisikoprüfung (HAZOP), und viele andere Aspekte in Bezug auf die Konstruktion und den Betrieb von Produktionsanlagen. Im laufenden Betrieb bieten wir Kontrollmaßnahmen an und unterstützen Sie bei Verhandlungen mit Behörden über die praktische Durchführung. Auf Basis unserer jahrelangen Erfahrung und unseres umfassenden Wissens in Bezug auf Prozesssicherheit, externe Sicherheit, Lebensmittelsicherheit und Biosicherheit haben wir effiziente Methoden entwickelt, die zu jedem Zeitpunkt ein hohes Sicherheitsniveau in Ihrem Betrieb garantieren. Die Ergebnisse unserer Sicherheitsaudits können direkt in Ihre Anlagenvertrags- und Wartungspläne sowie in deren Planung integriert werden, sodass die Qualität Ihrer Produkte langfristig gesichert ist.

Bevorzugter Partner in der Lebensmittelindustrie

Als bevorzugter ständiger Partner in der Lebensmittelindustrie genießt Tobodin einen hervorragenden Ruf in der Nahrungsmittel- und Genussmittelbranche. In Nordamerika können wir auf eine internationale Erfolgsgeschichte zurückblicken, die von Kooperationen mit den renommiertesten Unternehmen geprägt ist. Wir bieten unabhängige Beratungs- und Ingenieurdienstleistungen für kleine und große Projekte, sowohl als Stand-Alone-Lösungen als auch als industrielle Erweiterungen an. Dank unserer Anbahnung können wir die richtige Balance zwischen hoher Qualität und Flexibilität zu finden, die unsere Kunden bei der Erreichung ihrer strategischen Ziele bestmöglich zu unterstützen. Die Fähigkeit, die Ziele unserer Kunden kostengünstig zu verwirklichen macht Tobodin zu einem bevorzugten Partner in der Lebensmittel- und Getränkeindustrie.

Interesse?

Unsere erfahrenen und engagierten Food & Beverage-Experten werden Ihnen gerne alle Fragen beantworten. Jeroen Trempels, j.trempels@tobodin.com, +31 616 502 000, oder Robert Leermoeze, r.leermoeze@tobodin.com, +31 628 148 907.



Figure 16: Current Food Market Sheet of the case company

Planen Sie eine neue Produktionsanlage zu bauen oder Ihre bestehende Anlage zu erweitern oder zu erneuern?

Auch hierbei steht Ihnen Tobodin mit einem umfangreichen Leistungsspektrum an Beratungs- und Ingenieurdienstleistungen gerne unterstützend zur Seite!

Die von uns angebotenen Beratungs- und Ingenieurdienstleistungen umfassen u.a.:

- Umwelt- und Nachhaltigkeitsmanagement,
- Sicherheits- und Risikomanagement,
- Logistik,
- Assetmanagement und Instandhaltung,
- Energie, sowie
- ökonomische Beratungsdienstleistungen

- Architektur,
- Gebäudestaltung (HVAC),
- Bauphysik,
- Bau und Konstruktion,
- Elektronik,
- Geodäsie,
- Infrastruktur,
- Mechanik,
- Rohrleitungsbau,
- Pipelines,
- Prozessablaufplanung,
- Prozesssteuerung und Prozessinstrumentierung,
- Telekommunikation,
- Transport

WE MAKE DIARY WORK



MILCHVERARBEITUNG

IHR PARTNER FÜR INGENIEUR- UND BERATUNGSDIENSTLEISTUNGEN

Figure 17: Example cover of added segment-oriented marketing material as suggested by the researcher

Moreover the existing sales material provides the customer with extensive information. Nevertheless, especially when being aimed to expand the company's activities to foreign markets, where the company is not yet known, the supporting sales literature has to draw attention in first instance, while being informative in second order. This actually means that the existent promotional material, which remains to be primary informative, will not only have to be adapted language-wise, but also have to be made suitable for the current purpose. In the perception of the researcher this can best be realised by addressing a contemporary problem or burden, which concerns the wide majority of the target industry.



By stating a specific common problem on the brochure cover and directly linking it to the solution offered by Tebodin the customer's interest is aroused.

In line with the market entry strategy presented in the preceding chapter, the consultancy services offered by the company should be promoted as solutions for the given challenges the customer faces.

Through this, the company may be able to take advantage of another typical attribute of the Germans: once they have been convinced, they are loyal.

Another aspect that has to be taken into consideration when it comes to being aimed to draw the interest of a German potential customer, is the German attention to detail. Thus, not solely the content, but also the paper quality and the design of the particular brochure is, for example, also taken into account by Germans. Therefore, it would be advisable to adopt the same general structure for the new brochures. Using the same, reoccurring structure and combination of design items and content of the problem-solution and segment-oriented brochures not only facilitates orientation and clear understanding but also shows consistency.



Figure 18: Example cover of added problem-solution marketing material emphasizing the case company's consultancy services, as suggested by the researcher.

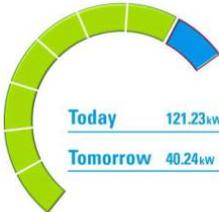


SENKEN SIE IHRE ENERGIEKOSTEN NACHHALTIG . . .

Damit Sie auch in Zukunft den zahlreichen Herausforderungen im Milchmarkt, sowie den Anforderungen des Gesetzgebers und der Verbraucher gerecht werden können, bietet Ihnen unser Tebodin Smart Energy Programm die Möglichkeit Ihren Energieverbrauch und somit auch die damit verbundenen Steuern und Abgaben nachhaltig zu senken.

Die Vorteile des Tebodin Smart Energy Programms auf einen Blick:

- Garantierte Reduzierung Ihrer Energiekosten und der entstehenden CO₂-Emissionen.
- Wir übernehmen alle notwendigen Schritte zur effizienten Energieeinsparung für Sie: Von der Idee bis zur Umsetzung – in 5 Schritten zum Erfolg.
- Unser umfangreiches Netzwerk von zahlreichen Energieexperten und Technologie-Lieferanten steht Ihnen während des gesamten Projekts jederzeit zur Verfügung.
- Möglichkeit zur teilweisen, externen Finanzierung (z.B. durch staatliche Förderungen) und einer Vereinbarung, dass die Bezahlung der erbrachten Dienstleistungen nur im Erfolgsfall zu leisten ist.
- Verbesserung der Wirtschaftlichkeit und Wettbewerbsfähigkeit Ihres Unternehmens.



Der stetig wachsende Preisdruck seitens des Einzelhandels, die steigenden Anforderungen des Gesetzgebers und der Verbraucher in Hinblick auf Qualität und Nachhaltigkeit, die zunehmende Konkurrenz aus anderen EU-Ländern und der rapide Rückgang der Nachfrage im asiatischen Markt sind nur einige Beispiele für die Herausforderungen mit denen die milchverarbeitende Industrie tagtäglich konfrontiert ist.

Insbesondere für die Hersteller von Milchprodukten stellt vor allem der hohe Energieverbrauch, der oft bis zu 30% des gesamten Bruttoproduktionswerts ausmacht, sowie die damit verbundenen Steuern und Abgaben eine hohe Belastung dar. Folglich können bereits geringe Energieeinsparungen zu einer enormen Entlastung führen. Das Tebodin Smart Energy Programm, welches in Zusammenarbeit mit Bilfinger Efficiency entwickelt wurde, bietet Ihnen die Möglichkeit in 5 Schritten Ihren Energieverbrauch nachhaltig zu senken.

Schritt 1: Get Ready. Kick-off-Meeting bei Ihnen vor Ort um die Möglichkeiten des Tebodin Smart Energy Programms zu besprechen.

Schritt 2: Festlegung der exakt auf Ihre Situation zugeschnittenen Energie-sparmaßnahmen, in Zusammenarbeit mit Ihnen, bei Ihnen vor Ort.

Schritt 3: Ausarbeitung der ausgewählten Maßnahmen zu transparenten Geschäftsfällen. In diesem Schritt stellen wir sicher, dass die ausgewählten Maßnahmen zu den angestrebten Energieeinsparungen führen. In diesem Schritt treffen Sie die Go / NoGo Entscheidung bezüglich der Durchführung der verschiedenen Geschäftsfälle.

Schritt 4: Ausführung der von Ihnen bewilligten Geschäftsfälle. Unser Ziel ist es die ausgewählten Maßnahmen wirksam, sicher und zeitnah umzusetzen. Wenn kein Erfolg erzielt wird, übernehmen wir die gesamte Finanzierung des Smart Energy Programms.

Schritt 5: Garantie. Durch eine transparente Überwachung und Validierung der durchgeführten Maßnahmen werden die erreichten Energieeinsparungen für Sie dokumentiert.

Interesse?

Unser erfahrener und engagierter Energie-Experte Stef Clevers wird Ihnen gerne alle Fragen beantworten. **Kontaktdaten:** s.clevers@tebodin.com oder +31 6 26 90 8636

. . . UM AUCH IN ZUKUNFT ERFOLGREICH IM MILCHMARKT AGIEREN ZU KÖNNEN!

Figure 19: Example of added problem-solution marketing material as suggested by the researcher, promoting the company's energy efficiency programme

In regard to direct marketing it is recommended to apply telemarketing to create awareness, and inform the potential customers in the different target segments about the presence of the German subsidiary. After the initial contact has been made, product information in the form of brochures and project sheets can be send via email and if the service offering is considered to bear the potential of delivering superior value-in-use for the individual purposes of the customer, an appointment for a personal product presentation can subsequently be made. The effect of telemarketing can be considered as relatively high, since a direct interaction occurs between the buyer and the seller. In addition, frequent but agreeable mailing campaigns and e-newsletters also offer the opportunity to create awareness, as well as to inform and remind the customers about current and past developments in regard to the case company, its service portfolio, the market, upcoming events or other relevant key topics. Another benefit of regular mailing campaigns appears to be that numerous geographically diverged customers can be reached through these tools at relatively low costs. (Blythe & Zimmerman, 2004)

Furthermore, the first perception a customer builds about a company and its service offering often makes the difference between buying and leaving. A company's website is often the first promotional tool that leaves a mark in the customer's minds, therefore a neat website which contains a solid company presentation and informs about the company's services, attributes and qualities can be regarded as a critical cornerstone for building a valuable position in the customer's mind. A company image film published on the company's website, which actively promotes the company's services rather than the employer brand, is additionally highly recommended. By delivering valuable evidence and background information concerning the company's efforts in terms of lean processes, continuous improvement of both efficiency and quality, operational excellence and employee development as well as the benefits of Dutch culture, such an image film is expected to be enormously valuable for building up a favourable reputation for high quality engineering and consultancy services on the German market.



The effect of such an image film additionally can be regarded as multiplied in contrast to traditional print media, since more than one of the human senses is addressed at a time. While print media has to be actively read and understood the tone heard or situation seen in the film may also enter the customers' minds unobtrusively.

In the perception of the researcher a favourable brand image can easily be build up by shooting a few brief sequences published under a certain topic such as for example [REDACTED]. These videos could than for example comprise a walk around through the company in order to deliver valuable evidence for the above-mentioned attributes. In contrast, other videos showing the company's employees e.g. at a company party, playing beach volleyball or planting trees, which are currently existent on YouTube should rather be made invisible. In terms of further public relations activities, the company is advised to periodically publish press releases on its website. Furthermore, the regular publication of editorials and articles in relevant journals to raise awareness and to inform the German customers about current developments and events.



9.3 Preliminary marketing budget

Company objective 2017 - 2019 :

- Positioning Tebodin as a provider of high-quality engineering and consultancy services on the German market
- Building a favourable brand reputation
- Gaining a market share of at least 15%

Marketing objectives 2016/2017:

- Inform the German target customers about the existence of Tebodin and its service range
- Create awareness for Tebodin in the target customers' minds
- Generate and perform first projects in the food industry
- Build a sustainable customer base and a favourable brand image

Target groups:

- Initially companies operating in the German food sector
- Over the long-term also companies operating in the German chemical and pharmaceutical sector

Prerequisites for the realisation of the current marketing objectives

	Objectives	Responsibilities	Budget
Personnel			
1 Managing Director	Execution of planned marketing activities aimed to introduce and create awareness for the services provided by Tebodin	[Redacted]	See personnel expenses
1 Administrative Employee in Marketing & Sales		[Redacted]	
1 Business Developer / Sales Representative		[Redacted]	
Administrative costs	Selection and recruitment of highly qualified staff		See other operating expenses
Fleet/ Vehicles			
2 leased cars incl. petrol	Active promotion and sales of the services offered by Tebodin		See vehicle expenses
Travel costs	Active promotion and sales of the services offered by Tebodin		See travel expenses



Marketing activities and Budget

	Goal	Tactics / Strategies	Budget (€)
Research			
Internet research	Generating and information about the target markets and potential customers		
Memberships in associations			
Contact authorities			
Establishing databases			
Research fees			
Further research			
Advertising			
Direct marketing (telemarketing)	Creating awareness, inform customers		
Advertisements in professional journals	Creating awareness		
Miscellaneous			
Promotion			
Website costs (operational and development)	Creating awareness, inform customers		
Tradeshows and business fairs	Creating awareness, inform customers		
Giveaways	Creating awareness		

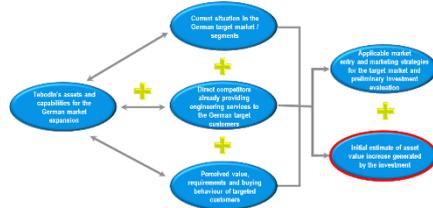


Company image film	Creating awareness, inform customers and represent Tebodin		
Google Campaign			
Miscellaneous			
Mail campaigns			
Direct mail to customer base	Creating awareness, inform, remind		
E-mail to customer base	Creating awareness, inform, remind		
Mailing list management costs	Keep databases up-to-date		
Collateral			
Sales literature (brochures, flyers)	Creating awareness, inform		
E-Newsletters	Creating awareness, inform		
Miscellaneous			
Public relations			
Editorials/ Articles	Creating awareness, inform		
Press releases	Creating awareness, inform		
Miscellaneous			
TOTAL			

Table 29: Preliminary marketing budget

10

MARKETING INVESTMENT EVALUATION



The concepts established by Nenonen & Storbacka (2015), Streukens, van Hoesel, & de Ruyter (2011) and Mellichamp (2013), acted as a cornerstone for the development of a strategic management tool for evaluating the effect of the determined marketing investment on shareholder value. In principle, a firm is expected to generate earnings on invested capital in excess of the cost capital adjusted for risk and time, in order to increase shareholder value. (Black, Wright, Bachman, & Davis, 1998; Rappaport, 1998; cited by Nenonen & Storbacka, 2015)

10.1 Investment evaluation strategy

The objective of the marketing budget determined in the previous section and the marketing investment resulting thereof, is to increase the company's current revenue through acquiring further customers and in turn also reducing customer-related risks by diversifying the company's customer base. Accordingly, the following equation appears to be applicable in order to evaluate the profitability of the current marketing investment:

Equation 1: Estimated profitability of the marketing investment

$$\text{Expected Revenue} = [(ECAR * ECMV) - (CAR(0) * CMV(0))]$$

$$\text{Investment Costs} = [CMI * RROI]$$

$$\text{Expected profitability of the current marketing investment} =$$

$$[(ECAR * ECMV) - (CAR(0) * CMV(0))] - [CMI * RROI]$$

Where the term ECAR, refers to the expected customer acquisition rate as a result of the particular marketing investment and the term ECMV, refers to the expected total customer monetary value spend for the services in question. In addition, the terms CAR(0) and CMV(0), refer to the customer acquisition rate prior to the current marketing investment and the total customer monetary value spent for the services in question associated with the period prior to the marketing investment. Furthermore, the term CMI, describes the current marketing investment, which has been computed by determining a marketing budget for all marketing activities that should be undertaken during the following period. Finally, the current marketing investment is multiplied by the required return on investment (RROI), expected to compensate the remaining risk that the current investment bears after the risk-reduction through diversification has been respected. However, at this point it is worth mentioning that the success of a particular marketing investment and thus the associated revenue increase is highly dependent on how the given investment affects the (potential) customers' evaluative judgements. (Streukens, van Hoesel, & de Ruyter, 2011) By targeting to influence the underlying drivers of potential customers' evaluative judgement favourably, the current marketing activities included in the determined marketing budget are in turn also aimed to affect the customer's evaluative judgment about the service offering, positively.



The customer questionnaire which has been developed to identify the requirements of potential German customers also contains several items aimed to identify the underlying drivers and criteria on which German potential customers place superior value, when it comes to selecting an appropriate partner for the realisation of their planned project executions.

Unfortunately, it has not been possible to execute the prepared customer survey during the research period. Nevertheless, from the various analyses and evaluations that have been conducted during the preceding research stages as well as from the past experiences of the researcher the following drivers, which are expected to influence the customers' evaluative judgments, could have been identified:

- ❖ Awareness of existence
- ❖ Accessibility
- ❖ Employee expertise
- ❖ Experience
- ❖ References
- ❖ Service quality
- ❖ Communication
- ❖ Ability to fulfil individual needs

By comparing the company's strengths on the various items or drivers expected to influence the customers' evaluative judgments, with the various scores on the different items the expected customer acquisition rate will be estimated. Subsequently, the expected customer acquisition rate that has been estimated will be multiplied by the expected total customer monetary value. In addition, the current customer acquisition rate on the German market will be assessed by measuring the current percentage spent at the case company in a particular year relative to the amount of money spent by the industry for the particular category. (Streukens, van Hoesel, & de Ruyter, 2011)



General assumptions for the current evaluation

❖ Due to the fact that the effect of all planned marketing activities is not expected to be solely limited to the German food sector it has been decided to estimate both, the expected effect of the current marketing investment on: 1) the revenues generated in the food sector and 2) the revenues generated in all three German target sectors, which are namely, the food, chemical and the pharmaceutical sector. Furthermore the German investment development in the three different target segments over the past few years can be summarised as follows:

Investments of selected economic groups (in k euros)												
No.	Description	Total investment volume in 2014	Share in total value	Total investment volume 2013	Share in total value	% Change 13/14	Total investment volume 2012	Share in total value	% Change 12/13	Total investment volume 2011	Share in total value	% Change 12/11
10	Food/ feed industry	4.196.605	7,4%	3.896.135	7,0%	7,7%	3.806.838	6,8%	2,3%	3.617.794	6,7%	5,2%
11	Beverages	1.196.660	2,1%	967.356	1,7%	23,7%	991.593	1,8%	-2,4%	966.961	1,8%	2,5%
20	Chemicals	5.165.364	9,1%	5.361.526	9,7%	-3,7%	4.763.796	8,5%	12,5%	4.880.877	9,0%	-2,4%
21	Pharmaceuticals	1.957.464	3,5%	1.588.714	2,9%	23,2%	1.449.268	2,6%	9,6%	1.337.778	2,5%	8,3%
Manufacturing industry in total		56.464.275		55.483.016		1,8%	55.955.494		-0,8%	54.161.785		3,3%
(Statistisches Bundesamt, 2015)												

❖ Based on the fact that most of the investment volumes of the different target segments grew steadily over the past few years it can generally be assumed that the investment volumes of the different target segments have been growing slightly in 2015. However, analyses have also discovered that especially various segments in the food sector such as the dairy or meat industry suffered enormously in 2015. Thus, it is expected that the financial volumes invested in PP&E will slightly decline in 2016. The overall revenues that have been generated by Tebodin on the German market in 2015 amounted to approximately €7m, of which approx. €1.2m have been generated in the German food sector. (Tebodin Netherlands B.V., 2016)

❖ The conducted market research has shown that in 2014 the food companies located in NRW had a share of approx. 16% in the total investment volume in PP&E of the food sector, whereas the pharmaceutical firms located in NRW spent approx. 16.5% of the overall investment volume of the pharmaceutical sector and the chemical companies settled in NRW spent approx. 30% of the overall volume invested by the chemical industry. (Statistisches Bundesamt, 2015)

❖ In addition it will be assumed that as a matter of fact the lower the expected customer acquisition rate the higher the expected rate of return due to both, higher investment risk and less reduction in customer-related risk through diversification. Moreover, the expected rate of return will be lower for the calculations including all three target segments than for those which solely consider the food sector, since the diversification effect will be higher if more divergent customers are involved.

❖ For all calculations it will in addition be assumed that approx. 10% of the total volume invested in PP&E is allotted to engineering. (Please note that the industry investments for consultancy services have been excluded on purpose, since it has not been possible to assess any information about these expenses.)

❖ As depicted in the preliminary marketing budget that has been developed by the researcher in the preceding chapter the investment costs in this case amount to €145,000.

❖ All annual investment and monetary volumes will be divided by 2 since the investment has not been undertaken at the beginning of 2016, but is most likely be made in the second half of the year.



10.2 Best-case scenario

Evaluation assumptions

- ❖ The total investment volumes in PP&E of the different target segments increased by 7% for the food sector, 6% for the chemical sector and 15% for the pharmaceutical sector in 2015. Further they are expected to rise by 5%, 4% and 12% respectively in 2016, which in turn results in a total growth in customers' monetary value to approx. €13.55bn for all three target segments in 2015 and approx. €14.2bn in 2016.
- ❖ In addition, the total investment volume of the food sector amounted to approx. €5.8bn in 2015 and is expected to account for approx. €6bn in 2016.
- ❖ As only 10% of all PP&E investments are allotted to engineering, the engineering investments have thus been equal to approx. €1.355bn for all three sectors in 2015 and to approx. €1.42bn in 2016, whereas the engineering investments of the food sector have been equal to approx. €580m in 2015 and are expected to amount to approx. €600m in 2016.
- ❖ The given marketing investment is expected to result in an overall market share of 10% of the volumes invested in engineering in the German federal state NRW, which finally results in a total acquisition rate of approx. 1.6% of the overall investment volume in regard to engineering undertaken by the German food sector and approx. 2.16% of the total investments in engineering undertaken by three different German target sectors.
- ❖ Due to the fact that the company's market share is expected to be rather high relative to the given marketing investment and the market prospects are expected to be rather favourable a rate of return of approx. 15% corrected for the expected risk reduction through diversification is required for the food sector and a rate of return of approx. 12% corrected for the expected risk reduction through diversification is required for all three target sectors.

Investment evaluation including all three German target industries

$$\begin{aligned} \text{Profit} &= [(0.0216 * 710\text{m}) - (0.005166 * 677.5\text{m})] - [145.000 * 1.12] \\ &= [15.35\text{m} - 3.5\text{m}] - [162.400] \end{aligned}$$

$$\text{Profit} = 11,688,000$$

Investment evaluation assuming that the marketing investment undertaken will only affect the food sector

$$\begin{aligned} \text{Profit} &= [(0.016 * 300\text{m}) - (0.00206 * 290\text{m})] - [145.000 * 1.15] \\ &= [4.8\text{m} - 600.000] - 167.000 \end{aligned}$$

$$\text{Profit} = 4,033,000$$



10.3 Most Realistic Scenario

- ❖ The total investment volumes in PP&E of the different target segments increased by 5% for the food sector, 4% for the chemical sector and 12% for the pharmaceutical sector in 2015. Further they are expected to change by -15%, -5% and 10% respectively in 2016, which in turn results in a total growth in customers' monetary value to approx. €13.3bn for all three target segments in 2015 and approx. €12.3bn in 2016.
- ❖ In addition, the total investment volume of the food sector amounted to approx. €5.7bn in 2015 and is expected to account for approx. €4.8bn in 2016.
- ❖ As only 10% of all PP&E investments are allotted to engineering, the engineering investments have thus been equal to approx. €1.33bn for all three sectors in 2015 and to approx. €1.23bn in 2016, whereas the engineering investments of the food sector have been equal to approx. €570m in 2015 and are expected to amount to approx. €480m in 2016.
- ❖ The given marketing investment is expected to result in an overall market share of 8% of the volumes invested in engineering in the German federal state NRW, which finally results in a total acquisition rate of approx. 1.25% of the overall investment volume in regard to engineering undertaken by the German food sector and approx. 1.74% of the total investments in engineering undertaken by three different German target sectors in 2016.
- ❖ Due to the fact that the company's market share as well as the market prospects are expected to be rather moderate relative to the given marketing investment a rate of return of approx. 30% corrected for the expected risk reduction through diversification is required for the food sector and a rate of return of approx. 20% corrected for the expected risk reduction through diversification is required for all three target sectors.

Investment evaluation including all three German target industries

$$\begin{aligned} \text{Profit} &= [(0.017398 * 615\text{m}) - (0.00526 * 665\text{m}) - [145.000 * 1.20]] \\ &= [10.7 - 3.5\text{m}] - [174,000] \\ \text{Profit} &= 7,026,000 \end{aligned}$$

Investment evaluation assuming that the marketing investment undertaken will only affect the food sector

$$\begin{aligned} \text{Profit} &= [(0.0125 * 240\text{m}) - (0.002105 * 285\text{m})] - [145.000 * 1.30] \\ &= [3 \text{ m} - 600.000] - 188,500 \\ \text{Profit} &= 2,211,500 \end{aligned}$$



10.4 Worst-case Scenario

- ❖ The total investment volumes in PP&E of the different target segments changed by 5% for the food sector, -4% for the chemical sector and 10% for the pharmaceutical sector in 2015. Further they are expected to change by -20%, -4% and 8% respectively in 2016, which in turn results in a total growth in customers' monetary value to approx. €13bn for all three target segments in 2015 and approx. €11.7bn in 2016.
- ❖ In addition, the total investment volume of the food sector amounted to approx. €5.6bn in 2015 and is expected to account for approx. €4.55bn in 2016.
- ❖ As only 10% of all PP&E investments are allotted to engineering, the engineering investments have thus been equal to approx. €1.3bn for all three sectors in 2015 and to approx. €1.17bn in 2016, whereas the engineering investments of the food sector have been equal to approx. €560m in 2015 and are expected to be approx. €455m in 2016.
- ❖ The given marketing investment is expected to result in an overall market share of 5% of the volumes invested in engineering in the German federal state NRW, which finally results in a total acquisition rate of approx. 1.6% of the overall investment volume in regard to engineering undertaken by the German food sector and approx. of the total investments in engineering undertaken by three different German target sectors.
- ❖ Due to the fact that the company's market share is expected to be rather low relative to the given marketing investment and the market prospects are expected to be rather unfavourable a rate of return of approx. 35% corrected for the expected risk reduction through diversification is required for the food sector and a rate of return of approx. 25% corrected for the expected risk reduction through diversification is required for all three target sectors.

Investment evaluation including all three German target industries

$$\begin{aligned} \text{Profit} &= [(0.01099 * 582.5\text{m}) - (0.005384 * 650\text{m})] - [145.000 * 1.25] \\ &= [6.4\text{m} - 3.5\text{m}] - [181.250] \end{aligned}$$

$$\text{Profit} = 2,718,750$$

Investment evaluation assuming that the marketing investment undertaken will only affect the food sector

$$\begin{aligned} \text{Profit} &= [(0.007912 * 227.5\text{m}) - (0.002143 * 280\text{m})] - [145.000 * 1.35] \\ &= [1.8\text{m} - 600,000] - 195,750 \end{aligned}$$

$$\text{Profit} = 1,005,000$$

From the different calculations conducted, it can finally be concluded that the determined marketing investment is regarded to be profitable in any case. Even under the worst-case scenario, which assumes that the investment volumes of most of the different target segments will decline in 2016 and only share of 5% of the overall market in the federal state NRW can be gained, or even worse only the food sector can be reached through the various marketing activities, the given marketing investment is still estimated to increase the company's current asset value by approx. €1m. However, it has to be taken into account that additional costs, such as those described in the previous chapter, are expected to incur upon opening the German subsidiary. Nevertheless, the given marketing investment is expected to generate additional revenues in excess of all costs incurring and thus is expected to increase the shareholders' value significantly within the subsequent periods.



11

DISCUSSION OF RESEARCH FINDINGS & CONCLUSION

The primary objective of the current research was to develop a strategic management tool, which supports organisations in measuring the effect on shareholder value associated with the successful realisation of foreign market expansion through delivering superior customer value-in-use. In the current literature Grönroos (2011) claims that “customer value” is created when the provision of resources or interactive processes leads to a situation, in which the customer is or feels better off than before.

This definition implies that the customer’s perception of value is influenced by different underlying components. First of all, the resources provided by the supplier have to lead to a benefit for the customer. However, what resources the customer perceives as valuable, making him (feel) better off, is significantly influenced by the market conditions with which the customer has to cope contemporary. In addition, competitive offerings may also influence the benefit perceived by the customer. Nevertheless, if the market conditions and competitive offerings that shape the customer’s perception are known, the identified resources can be applied in order to outperform the competitors providing the customer with a benefit that better suits the current market conditions. The customer acquisition or retention resulting thereof, would then lead to an increase in company value.

In the given case of the company Tebodin Netherlands B.V. the key findings delivered by the model can be summarised as follows:

1. Which assets and capabilities does Tebodin B.V. have at its disposal that bear the potential to deliver superior customer value-in-use for German industry customers?

Based on the results of the different ethnographic analyses performed and their subsequent validation, it can generally be concluded that Tebodin Netherlands B.V. possesses a variety of valuable resources that can be applied to enter the German market successfully. One key ingredient that is expected to deliver superior value-in-use to the German target customers is the wide range of customised services, paired with highly-skilled experts that are constantly aimed to deliver services of outstanding quality. In addition, it has been found that the financial position of the company remains to be healthy, commanding sufficient monetary resources in order to be able to take the step to develop the German market successfully. Moreover, the unique company culture, which to a high degree can be traced back to the Dutch culture as well as the Bilfinger network are regarded to be very valuable.

However, during the research it has also been found that a major perspective change will be necessary in order to be able to deliver superior-value-in use for the German customers. Currently, the company’s management and employees are primary focused on improving the operational excellence of the company’s internal processes.

However, especially when being aimed to expand the company’s business operations to further countries, in which the company brand is not yet popular, extensive marketing activities are the most essential ingredient for being able to enter the foreign markets successfully. The need for marketing is even intensified for complex services, such as those offered by Tebodin.



Further weaknesses that will have to be eliminated before the start of operations would be:

2. What is the current situation in the German target markets and in what way can the assets and capabilities at hand be applied to enter the German market successfully?

Despite the currently difficult economic situation, the strict European as well as national regulations and significant losses in the export to third countries, the various food segments and especially the three leading ones, have still been able to record slight growth. In some industries, this subsequently leads to strong investments in fixed assets. Especially the German federal states Nordrhein-Westfalen and Niedersachsen offer numerous benefits for a settled company as multiple small food processing companies, offering huge potential, and also the great players can be found in these regions. Furthermore, a food cluster could have been identified in the Münsterland, a region in NRW, bordering the Netherlands as well as the federal state Niedersachsen. However, the competitive situation in the food sector is tense in this days. While food prices constantly decrease, the quality and documentation demands of sophisticated consumers as well as of national and European authorities grow incessantly. Particularly the SME's, by which the industry is shaped, suffer enormously having a hard time to survive. In addition, the energy costs not seldom amount for up to 30% of the overall production costs. Accordingly, aspects such as sustainability cost-effectiveness and energy efficiency play a great role in the German food industry.

Tebodin is able to provide these companies with the support they require to overcome the challenges faced and to ensure the success of the company's operations. Through providing professional advice regarding energy efficiency, sustainability, and project feasibility or through realising an expansion or modernization of production facilities, Tebodin can support the potential clients to improve their current situation significantly. Promoting the company's consultancy services to the SME's would take the German suspiciousness, requirement for evidence and the German preference for uncertainty avoidance into account. Due to the fact that the monetary investments for consultancy services are lower than those involved with plant modernisations or construction, the risk associated with such investments is also considerably lower. Thus, German companies may be more willing to give a smaller consultancy project to a foreign, unknown company than the construction of an entire plant.

3. In what way can the assets and capabilities at hand be applied in order to identify and outperform direct competitors already providing their services to the German food/chemical market?

The German food sector appears to especially attractive since the performed competitor analyses showed that the huge international engineering players primary focus on the German chemical and pharmaceutical market. However, mainly few smaller German engineering companies are currently serving the food sector.

While most of the companies already operating in the German market do not possess the capacities to provide engineering and consultancy services in the scope and quality as offered by Tebodin, these competitors appear to be more specialised, only serving a fraction of the markets that are served by Tebodin. The combination of Dutch and German employees also grants a great opportunity for mutual learning and creating a synergy which optimises the future project executions and cannot be imitated by German competitors easily.



4. What are the customers' buying behaviour, perceived value and requirements like on the German market and how can Tebodin use the identified prerequisites to create and measure superior customer value-in-use as market-based asset?

Unfortunately, it has not been possible to execute the prepared customer survey. However, from the preceding market and industry analyses it can be stated that the customers' buying behaviour, perceived value and requirements remain to be primary driven by two factors: 1. Contemporary market conditions; 2. Cultural aspects.

As already mentioned earlier, energy costs not seldom amount for up to 30% of the overall production costs within the German food sector. Accordingly, aspects such as sustainability cost-effectiveness and energy efficiency play a great role in the German food industry. Through providing professional advice regarding energy efficiency, sustainability, and project feasibility, Tebodin could support the small SME's to make their production more efficient.

Due to the fact that various actions that are performed by Germans are primary aimed to avoid uncertainty, consistency among statements as well as between statements and actions remains to be essential. Hence, while claiming to be responsive to the customer's individual needs, it would be strongly recommended to deliver accompanying sales literature that reflects this claim and therewith account for the German preference for accuracy, consistency and expertise, and specialisation. Thus, preparing customised marketing material for each individual food segment would be advisable.

Furthermore, Germans remain to be strongly reluctant to new things. Accordingly, extensive marketing and PR activities will be necessary to make the customer aware of Tebodin's existence, to convince the German customers of and to pull demand for the services offered by the company. In order to gain the customers' attention and to be subsequently able to deliver superior value-in-use that increases the shareholders' value, it is highly recommended to add problem-solution sales material as suggested by the researcher.

5. What would be applicable market entry and marketing strategies and the investment associated with promoting and positioning the engineering and consultancy services on the German market?

Upon considering the findings of the preceding research stages it has been found that opening a domestic subsidiary remains to be the only organisational form, which fulfils the identified fundamental requirement of various German customers. The majority of the German customers prefer doing business with German entities.

In addition it is strongly suggested to adopt a company structure for the future German subsidiary consisting of both, German natives and Dutch experts. [REDACTED]

[REDACTED] provides the potential German business partners with a certain degree of security, by bridging intercultural gaps, avoiding misinterpretation of the counterparts' behaviour [REDACTED]

[REDACTED] Furthermore if Dutch [REDACTED] are appointed to German projects, the strategic concepts that have been developed concerning: [REDACTED] [REDACTED] operational excellence, can also be applied to German project executions.



6. *What amount of revenue will have to be generated by the investment undertaken to enter the German market in order to increase the asset value and profitability of the company?*

In principle, any investment is expected to generate earnings in excess of the cost incurring in order to be profitable. In regard to the German market entry of Tebodin Netherlands B.V. it can be stated that the marketing investment that can be associated with the various marketing activities planned to be undertaken, appears to be profitable in any case.

Even under the worst-case scenario, which assumes that the investment volumes of most of the different target segments will decline in 2016 and only share of 5% of the overall market in the federal state NRW can be gained or even worse, only the food sector can be reached through the various marketing activities, the given marketing investment is still estimated to increase the company's current asset value by approx. €1m. However, it has to be taken into account that additional costs, such as those described before, are expected to incur upon opening the German subsidiary. Nevertheless, the given marketing investment is expected to generate additional revenues in excess of all costs incurring and thus, to increase the shareholders' value significantly within the subsequent periods.

Theoretical contribution

Many researchers have developed several concepts, in order to measure the customer benefit that results from the delivery of superior value-in-use. In contrast, Nenonen & Storbacka (2015), argue that shareholder value is enhanced significantly by customer value proposition. They found that effective customer asset management can lead to: 1. Increased revenues through acquiring and retaining larger numbers of customers; 2. Decreased customer-related costs; 3. Optimised asset utilization in customer relationships and 4. Reduced customer-related risks through the diversification of customer projects and reducing correlations. By integrating common market development theories with the recent findings of Nenonen & Storbacka (2015) and applying the established model to the context of foreign market development the current research is primarily aimed to deliver further valuable data to confirm the recent findings of Nenonen & Storbacka.

Furthermore, the research has also shown that the basic framework for the evaluation of marketing investments developed by Streukens, van Hoesel, & de Ruyter (2011), not only can be applied to well-established companies. By transferring the model to the context of foreign market developments, it has been proven that with some adaptations this concept can also be applied to companies that are just at the beginning of their business operations. Consequently, this study once more confirms the usefulness of the framework.

Least but not least, the given model confirms the following statements: For internal resource analysis to fulfil its potential in the strategic management of a market expansion project, the ideas of the RBV have to be combined with an external demand model, matching the company's valuable resources to the conditions and requirements of the environment it operates in. (Priem & Butler, 2001) Furthermore, "Market orientation consists of three behavioural components - customer orientation, competitor orientation and interfunctional coordination - and two decision criteria - long-term focus and profitability". (Narver & Slater, 1990)

Practical contribution

As already stated above, the primary objective of the current research was to develop a strategic management tool, which supports organisations in measuring the effect on shareholder value associated with the successful realisation of foreign market expansion through delivering superior customer value-in-use.



By applying the given model, internal and external factors that are expected to influence the company's foreign operations can be effectively analysed. In contrast to other established models, which analyse the various internal and external factors separately, the developed strategic tool also accounts for the interdependencies among these factors. In addition, the developed model indicates major company weaknesses and suggests those resources, which are expected to support the customer best, under the given market conditions. Moreover, an effective application of the identified valuable resources, is most likely to deliver superior benefits or value over those offered by the competitors. Consequently, customer acquisition can be realised, which in turn leads to an increase in shareholders' value.

Conclusion

In regard to the given central research question: "**How can the delivery of superior value-in-use for German industry customers lead to an increase of company value and profitability of Tebodin Netherlands B.V.?**", the following conclusions could have been drawn by applying the developed model:

In general Tebodin, processes a lot of valuable resources that can be applied to take advantage of the huge potential offered by the German food market.

However, in order to be able to create superior value-in-use that results in an increase in company value, a significant perspective change will have to take place. Currently, the company's management and employees are primarily focused on improving the operational excellence of the company's internal processes. Accordingly, issues concerning the external environment as well as the company's external appearance play a rather subordinate role. However, especially when being aimed to expand the company's business operations to further countries, in which the company brand is not yet popular, extensive marketing activities are the most essential ingredient for being able to enter these foreign markets successfully. The need for marketing is even intensified for complex services, such as those offered by Tebodin. Due to the fact that various actions that are performed by Germans are primarily aimed to avoid uncertainty, consistency among statements as well as between statements and actions is critical. Hence, while claiming to be responsive to the customer's individual needs, it would be strongly recommended to deliver accompanying sales literature that reflects this claim and which accounts for the German preference for accuracy, consistency and expertise, and specialisation. Thus, preparing customised marketing material for each individual food segment is advisable. In order to gain the customers' attention and subsequently be able to deliver superior value-in-use, which increases the shareholders' value, it is highly recommended to add problem-solution sales material as suggested by the researcher.

The various consultancy services offered by Tebodin should be intensively promoted during the initial phase of the market development, since these services offer two advantages: In the German food sector, energy costs do not seldom amount to up to 30% of the overall production costs. Accordingly, aspects such as sustainability, cost-effectiveness and energy efficiency play a great role in this industry. Through providing professional advice regarding energy efficiency, sustainability, and project feasibility Tebodin could support the small SME's to make their production more efficient, and thus open the door for conducting bigger projects, once it has proven to be a reliable partner, delivering satisfactory services.

Moreover, the unique company culture, which to a high degree can be traced back to the Dutch culture, as well as the Bilfinger network, are regarded to be very valuable. Hence, it is highly recommended to adopt a company structure for the German subsidiary consisting of both, German natives and Dutch experts.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The combination of Dutch and German employees also grants a great opportunity for mutual learning [REDACTED]

[REDACTED] However, at this point it has to be underlined that inefficiencies, as they are currently present in the Netherlands, should be reduced to a minimum in the new German subsidiary.

In principle, any investment is expected to generate earnings in excess of the cost incurring in order to be profitable. In regard to the German market entry of Tebodin Netherlands B.V., it can be stated that the marketing investment that can be associated with the various marketing activities planned to be undertaken, appears to be profitable in any case. Even under the worst-case scenario, the given marketing investment is still estimated to increase the company's current asset value by approx. €1m. However, it has to be taken into account that additional costs, such as those described before, are expected to incur upon opening the German subsidiary. Nevertheless, the given marketing investment is expected to generate additional revenues in excess of all costs incurring and thus is expected to increase the shareholders' value significantly within the subsequent periods.



12

RESEARCH LIMITATIONS & RECOMMENDED IMPLEMENTATION ACTIONS

Upon applying the developed model to the current case of Tebodin Netherlands B.V., it has been found that the case company generally possesses multiple resources and capabilities that appear to be valuable for entering and developing the German market. Thus, there is a great probability that the company will be able to take advantage of the huge potential the German market offers. However, it has also been discovered that significant adaptations and further actions will have to take place, in order to be able to apply its resources effectively, and in turn make the German market development a success.

The given research showed that the strategic management tool, which aims to aid companies with the strategic execution and evaluation of foreign market expansions, delivers valuable information and analyses results. The data gathered by the established model, subsequently grants the opportunity to make profound strategic management decisions, concerning future company growth, through foreign market development.

However, as with any study conducted also this research undoubtedly has its limitations. The following paragraphs are meant to pinpoint the limitations of the current research, which also imply departures for further research that will have to be conducted. Furthermore, valuable suggestions and recommendations concerning appropriate further operational actions are provided. Subsequently, an implementation plan including first priority ratings, a suggested chronology and preliminary implementation timeframes are developed.

12.1 Limitations of the current research

The developed model has only been verified by applying it to a single case company, in a particular context and industry as well as for a particular purpose. Therefore, it has to be pointed out that the given research findings are not generalizable to a great extent. Furthermore, the primary qualitative research approaches that have been adopted or even developed to gather all necessary data, have been highly customised, in order to suit the given research aim and purpose.

While these research approaches have undoubtedly brilliantly served their purpose of generating highly valuable, valid and reliable data in the given context, it goes without saying that these highly customised research approaches cannot be transferred to other contexts easily. In addition, it has to be underlined that due to the primary qualitative nature of the data gathered, a high degree of researcher judgement has been involved upon conducting the various analyses and evaluations of the data gathered in the different research stages.

However, in the perception of the researcher the basic framework, -which has been developed for measuring the financial effect of geographical market expansion and the marketing investment associated on the company's value and thus on shareholders' wealth - appears to be a valuable strategic management tool which can generally be applied in various business contexts.



Ultimately, the following implications for further research can be identified. Due to feasibility and other reasons that have been stated at the beginning of this research paper, it has been decided to primarily concentrate the current research on the various German food segments, as well as on the German federal states NRW, Niedersachsen, Bremen, Hamburg and Schleswig-Holstein. However, sidesteps to the chemical and pharmaceutical market have been made and further broad analyses have been performed where long-term advises, e.g. regarding the future subsidiary's location, had to be given.

Nevertheless, once Tebodin has settled in the German market it is well-advised to analyse the German chemical and pharmaceutical market as well as the further federal states in more detail. Furthermore, it has unfortunately not been possible to execute the scheduled survey among the various potential customers of the different food market segments during the research phase.

However, it is highly recommended to execute the customer questionnaire that has already been developed to gain further insights about the customers' perceptions and requirements, to further validate the findings of the previous research stages and to be able to measure the profitability of the investment more accurately.



12.2 Recommended further operational actions

The following paragraphs are meant to provide a short overview on how the suggested strategies introduced in chapter 9 can be translated into valuable operational activities.

General / Administrative aspects

In the perception of the researcher it is highly recommended to develop different strategic concepts for the German subsidiary, in order to assure the consistency, efficiency, accuracy and the external appearance required in the German business environment. These concepts should clearly define the company structure and hierarchies of the future German subsidiary and also determine clear areas of responsibility for all employees. Moreover, these strategies should include valuable suggestions regarding the effective application of all valuable Tebodin resources as well as the efficient utilisation of the available support activities.

In addition, adopting a more external perspective through continuously observing the contemporary developments in the external environment is highly advisable in order to ensure the operational success of the future German subsidiary. Furthermore, identifying and observing the activities performed by both, potential customers and direct competitors as well as continuously gathering information about current market developments and trends may lead to a competitive advantage. The first step in adopting an external perspective is to continuously administer the various customer and other databases, comprising valuable market information, that have been established by the researcher during the research phase. Furthermore, before starting any business operations in Germany it is recommended to put some effort in the identification of possible governmental subsidies or support that may be available for foreign start-up firms entering the German market, and apply for those applicable.

Strategic Customer Relationship Management

Thus, the company's efficiency, accuracy, consistency and external appearance is increased significantly.

Furthermore, useful data entries can be used as a cornerstone for reviving business contacts were the last contract has been less than three years ago and setting up new business contacts with former clients were the last contact has been more than three years ago.



Strategic marketing activities

As explained before, applying all marketing and communication tools in order to create awareness for and informing the potential German customers of the existence of the company and its service portfolio is strongly advised. However, accounting for the German general suspiciousness, attention to deal and preference for consistency, it is of utmost importance to develop a compelling and consistent sales story as well as an effective marketing and sales concept in order to realise the given objective. Aspects that appear inevitable for introducing, promoting and in turn positioning the company's services on the German market, are for example the adaption and further customisation of the existing sales literature. As already amplified in the preceding chapters of this research paper, making it suitable and valuable for the current purpose of realising the German market entry successfully creating awareness and building a favourable company reputation, appears to be of utmost importance.

As soon as all necessary marketing and other supporting documents that evidence the company's service offering and its outstanding quality have been prepared, superior effort can ultimately be put in making first contact with potential German customers.

Strategic personal development of soft skills and team building

Ultimately, it is highly recommended to execute the intercultural communication and habits workshop for Dutch and future German employees that has already been conceptually prepared by the researcher. [REDACTED]

[REDACTED] In addition, Germans are normally not that proficient in learning new languages than Dutch are. Therefore, it is advisable to establish a strategic concept for the development of German language competence of Dutch employees in order to avoid misunderstandings not only during the project acquisition phase, but also during future project executions.

As already stated earlier, the combination of Dutch and German employees also grants a great opportunity for mutual learning, [REDACTED]. Hence, establishing a strategic concept concerning mutual learning and the effective application of the various benefits contained in the Dutch and the German culture, as well as the scheduling of regular team building activities and trainings is highly recommended in order to create a competitive advantage over the long-run.



12.3 Preliminary implementation planning

Priority rating

Performing the all the suggested actions is undoubtedly highly recommended in order to be able to realise the German market entry. However, while certain actions will have to be taken right away in order to increase the chance for a successful German market entry, other strongly recommended activities, although important, can also be postponed to later stages of the market entry.

Activity to be performed	Priority rating
Developing an effective marketing and sales concept appropriate for the German market including a compelling and consistent sales story for Tebodin	1
Reworking existing sales literature and make it suitable for the German market	1
Establishing sales literature, customised to the divergent German food segments	1
Executing the customer questionnaire already developed by the researcher in order to gain further insight regarding the target customers' perceptions and requirements and to further validate the current research findings	1
Making first contact with potential German customers	1
Preparing and executing divergent marketing activities aimed to create awareness, inform the German customers and build up a positive company reputation (e.g. including image film, image campaigns, newsletters, press releases, ads, google campaign, exhibition visits etc.)	1
Reviewing the data entered in the CRM System during the operations and correcting the system from useless data entries	1
Reviving useful business contacts that have not been contacted e.g. < 3 years	1
Contact useful business contacts that have not been contacted e.g. > 3 years and treat them as first contacts	1
Continuous observation of developments in the external environment	1
Executing the intercultural communication and habits training for Dutch (and future German) employees already prepared by the researcher	1
Establishing a strategic concept concerning the effective application of all valuable Tebodin resources	1
Establishing basic guidelines for the effective use of the CRM System	1
Identifying possible governmental subsidies for foreign start-up firms in Germany and apply for those applicable	1
Establishing strategic concepts appropriate for transparent company structures including clear areas of responsibility as well as effective structures for the supporting activities and strategic concepts appropriate for a continuously growing start-up company	2
Conducting further research and analyses concerning the German pharmaceutical and chemical market	2
Establishing basic guidelines for effective customer relationship management	2
Establishing a strategic concept for mutual learning	2
Establishing a concept for the development of German language competence	2
Administering the various databases that have been established by the researcher	2
Identifying future market trends within the different target markets	3
Planning and executing team building activities and trainings emphasising intercultural cooperation and cohesion	3

Table 30: Priority ratings for the implementation of recommended operational activities



Preliminary implementation planning

01.06.2016 – 31.12.2016

Activity	CW	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52
Developing an effective marketing and sales concept appropriate for the German market including a compelling and consistent sales story for Tebodin		█	█														
Reworking existing sales literature and make it suitable for the German market		█	█														
Establishing sales literature, customised to the divergent German food segments		█	█														
Executing the customer questionnaire already developed by the researcher in order to gain further insight regarding the target customers' perceptions and requirements and to further validate the current research findings				█	█												
Making first contact with potential German customers				█	█	█	█	█	█	█	█	█	█	█	█	█	█
Preparing and executing divergent marketing activities aimed to create awareness, inform the German customers and build up a positive company reputation						█	█	█	█	█	█	█	█	█	█	█	█
Reviewing the data entered in the CRM System during the operations and correcting the system from useless data entries							█										
Reviving useful business contacts that have not been contacted e.g. < 3 years							█	█	█	█	█	█	█	█	█	█	█
Contact useful business contacts that have not been contacted e.g. > 3 years and treat them as first contacts							█	█	█	█	█	█	█	█	█	█	█
Continuous observation of developments in the external environment		█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Executing the intercultural communication and habits training for Dutch (and future German) employees already prepared by the researcher							█										
Establishing a strategic concept concerning the effective application of all valuable Tebodin resources								█									
Establishing basic guidelines for the effective use of the CRM System								█									



Activity	CW	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52
Identifying possible governmental subsidies for foreign start-up firms in Germany and apply for those applicable									█								
Establishing strategic concepts appropriate for transparent company structures including clear areas of responsibility as well as effective structures for the supporting activities and strategic concepts appropriate for a continuously growing start-up company									█								
Conducting further research and analyses concerning the German pharmaceutical and chemical market										█	█	█	█	█	█	█	█
Establishing basic guidelines for effective customer relationship management										█							
Establishing a strategic concept for mutual learning											█						
Establishing a concept for the development of German language competence											█	█					
Administering the various databases that have been established by the researcher		█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Identifying future market trends within the different target markets														█	█		
Planning and executing team building activities and trainings emphasising intercultural cooperation and cohesion																█	█

Table 31: Overview of preliminary implementation planning



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APPENDIX I: Company case “Die Milch macht’s”

Company case “Die Milch macht’s”



General information

“Die Milch macht’s” (hereafter - the client) is a German dairy company with long tradition. The main production facilities of the firm are located in Billerhorst near Münster. The firm’s product range comprises all sorts of dairy products from milk, over condensed milk, milk drinks, yoghurt, pudding and ice cream with different flavours, custard, and skimmed milk powder to cream. During the past year the firm processed approx. 140.000t raw materials (incl. raw milk, skimmed milk, cream etc.).

Upon observing the developments in the market during the last few years the company has figured out that the demand for German high-quality dairy has increased significantly, therefore the firm plans to expand its production capacity further. According to initial estimations undertaken by the enterprise, the dairy market is expected to grow by approximately 3% in the following periods. Subsequently, the new facility that is planned to be build is meant to increase the current processing capacity to 200.000t per year in order to obtain a greater market share.

The current production site has been built in 2004 and partly modernized in 2011. At the moment the client is aimed to extent the existing production facilities, so that the additional processing capacity needed can be realized. The company’s management has decided to allocate a total amount of €25 million of financial resources to the current project, in order to be able to achieve the given objective.

In first instance, a feasibility study will therefore be performed in order to be able to deliver 3 conceptual layouts of the extension of the building.

Further project execution is planned to consist of 2 phases:

Phase 1) covers the services required to realise the basic package, i.e. the development of a complete basic engineering for the project and the preparation of the documentation required to obtain the Construction Permission from the relevant authorities.

Phase 2) covers the services after the positive conclusion of state (non–state) expertise obtained up to the mechanical completion of the object.

The client has requested Tebodin to provide proposal for Phase 1 - execution of basic engineering and generate the building permit of the extension, based on the result of the feasibility study. The aim of the basic engineering phase is to get a 10% cost estimate of the project and to be able to apply for the building permit.

Optionally, Tebodin will subsequently be asked to also provide a proposal for Phase 2 services including construction management and control, commissioning and permitting assistance resulting in obtaining the operation permit.



APPENDIX II: Process Consent form signed by the focus group participants

(Eliot & Associates, 2005)

Consent form for focus group participants

Thank you very much for agreeing to participate in the current focus group concerning the planned development of the German market by Tebodin Netherlands B.V. !

The purpose of this focus group is to identify the major strengths and valuable resources of Tebodin that can be utilized to deliver superior value to German business customers in the different target sectors (food & feed, chemical and pharmaceutical industry)

The information gathered and the strengths and key resources identified will subsequently contribute to perform a detailed internal analysis of Tebodin Netherlands B.V.

- In order to get make sure that the entire discussion is not biased by language issues, it has been decided that the discussion will be executed in a neutral language, which in this case will be English.
- The information you provide in the focus group discussion will be treated completely confidential, and we will not associated with your name with anything you say in the focus group.
- It is planned to tape the focus group session, to assure that all thoughts, opinions, and ideas heard from the group are captured and can be analysed by the researcher after the session. The tape will only be used for analysis purposes. Due to the fact that the entire focus group will only be planned and executed by a single researcher, moderating the focus group and taking notes at the same time is regarded to be impossible, therefore taping the whole session appears to be an applicable measure to assure that a profound analysis can be performed after the session.
- No names will be attached to the focus groups responses and it will be assured that you will stay completely anonymous. Your names will also not be stated in the report.
- There are no right or wrong answers to the focus group questions. The aim of the focus group is to hear many different viewpoints as possible. Therefore, every participant is welcome to be honest even when the responses may not be in agreement with the rest of the group.
- In respect for each other, it is appreciated that only one individual speaks at a time in the group and that responses given by all participants are kept confidential.
- You may refuse to answer any question or withdraw from the study at any time.

I understand this information and agree to participate fully under the conditions stated above:

Date

Signature



APPENDIX III: Quantitative, structured research questionnaire for conducting telephone interviews

1. Unternehmen

1) Welche Art von Lebensmitteln stellt Ihr Unternehmen her?
(Mehrere Antworten möglich)

- Alkoholische Getränke
- Backwaren
- Fertiggerichte
- Fisch und Fischprodukte
- Gewürze und Soßen
- Kaffee und Tee
- Milch und Milchprodukte
- Mineralwasser und Erfrischungsgetränke
- Mühlen und Stärke
- Obst und Gemüse
- Öle und Fette
- Süßwaren, Dauerbackwaren und Speiseeis
- Teigwaren
- Gewürze und Soßen
- Zucker
- Andere

2) Wie viele Mitarbeiter beschäftigt Ihr Unternehmen derzeit?

- Weniger als 50 Mitarbeiter
- Zwischen 50 und 250 Mitarbeiter
- Zwischen 250 und 500 Mitarbeiter
- Mehr als 500 Mitarbeiter



2. Einschätzung der derzeitigen wirtschaftlichen Lage innerhalb der Branche

3. In den vergangenen 2 Jahren ist die Nachfrage nach Lebensmitteln dieser Art....

- | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Stark gesunken | Gesunken | Gleich geblieben | Angestiegen | Stark angestiegen | k. A. |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

4. In den vergangenen 2 Jahren ist der Umsatz unseres Unternehmens....

- | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Stark angestiegen | Angestiegen | Gleich geblieben | Gesunken | Stark gesunken | k. A. |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

5. Wie schätzen Sie das zukünftige Wachstum innerhalb Ihrer Branche ein?

- | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Sehr positiv | Positiv | Gleichbleibend | Negativ | Sehr negativ | k. A. |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

6. Wie schätzen Sie die Zukunftsaussichten Ihres Unternehmens innerhalb der Branche ein?

- | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Sehr negativ | Negativ | Stabil | Positiv | Sehr positiv | k. A. |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |



3. Werte des Unternehmens

7. Bei der Herstellung unserer Produkte legen wir sehr großen Wert auf die Nachhaltigkeit unserer Produktionsprozesse.

Dem stimme ich voll zu	Dem stimme ich teilweise zu	Neutral	Dem stimme ich nicht zu	Das weiße ich entschieden zurück	k. A.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Bei der Herstellung unserer Produkte legen wir sehr großen Wert auf die Nachhaltigkeit unserer Produktionsprozesse.

Dem stimme ich voll zu	Dem stimme ich teilweise zu	Neutral	Dem stimme ich nicht zu	Das weise ich entschieden zurück	k. A.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Eine Beratung bezüglich der Verbesserung der Energieeffizienz innerhalb des Produktionsprozesses erachten wir als....

Mehr als überflüssig	Überflüssig	Momentan nicht notwendig	Sinnvoll	Mehr als sinnvoll	k. A.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Eine Beratung bezüglich der Verbesserung der Produktionssicherheit erachten wir als....

Mehr als überflüssig	Überflüssig	Momentan nicht notwendig	Sinnvoll	Mehr als sinnvoll	k. A.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



4. Unternehmensinvestitionen

10. Planen Sie in den kommenden 2 Jahren Investitionen bezüglich der Modernisierung, der Erweiterung oder des Neubaus von Produktionsstätten?

- Ja
- Nein (Bitte bei Frage 11 fortfahren)

Wenn ja,

10.1 a) Welche Art von Investition ist vorgesehen?
(Mehrere Antworten möglich)

- Modernisierung vorhandener Produktionsstätten
- Optimierung von Produktionsprozessen durch Beratung
- Erweiterung vorhandener Produktionsstätten
- Bau einer neuen Produktionsstätte

10.1 b) In welcher Größenordnung liegen die geplanten Investitionen für Produktionsstätten?

- Weniger als 50.000€
- 50.000 bis 100.000€
- 100.000 bis 250.000€
- 250.000 bis 500.000€
- 500.000 bis 1.000.000€
- 1.000.000 bis 5.000.000€
- 5.000.000 bis 10.000.000€
- 10.000.000 bis 50.000.000€
- Mehr als 50.000.000€



10.1 c) Wie werden Sie die baulichen Maßnahmen voraussichtlich realisieren?

- Eigenleistung des Unternehmens (betriebsintern)
- Externe Auftragsvergabe an ein fachkundiges Ingenieurbüro

10.1 d) Was sind Ihre Beweggründe für die obige Entscheidung?

10.2 Haben Sie in den vergangenen 2 Jahren Maßnahmen ergriffen um bestehende Produktionsstätten zu modernisieren, zu erweitern oder neu zu bauen?

- Nein *(Bitte bei Frage 11 fortfahren)*
- Ja

10.2 a) Welche (baulichen) Maßnahmen sind durchgeführt worden?

- Modernisierung vorhandener Produktionsstätten
- Optimierung von Produktionsprozessen durch Beratung
- Erweiterung vorhandener Produktionsstätten
- Bau einer neuen Produktionsstätte

10.2b) Wie wurden die Maßnahmen realisiert? Geben Sie nachfolgend bitte auch die Gründe für die jeweilige Entscheidung an!

- Eigenleistung des Unternehmens (betriebsintern)
(Bitte bei Frage 11 fortfahren)
- Externe Auftragsvergabe an ein fachkundiges Ingenieurbüro



Gründe:

Wenn (Teil-) Vergabe an fachkundiges Ingenieurbüro,

10.3 Welche konkreten Aufgaben hat das ausgewählte Ingenieurbüro übernommen?

- Machbarkeitsstudie
- Conceptual Design
- Basic Engineering
- Detail Engineering
- EPCM
- Baustellenüberwachung
- Antragsmanagement
- Projektmanagement
- Andere Dienstleistungen

10.3 a) Mit der Qualität der vom Ingenieurbüro erbrachten Leistungen waren wir.....

- | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Sehr zufrieden | Zufrieden | Neutral | Unzufrieden | Sehr unzufrieden | k. A. |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

10.3b) Was könnte Ihrer Meinung nach an den in der Vergangenheit erbrachten Ingenieurdienstleistungen noch verbessert werden, was würden Sie sich bei einer erneuten Auftragsvergabe wünschen?



5. Bewertung der Ingenieursdienstleistungen

Angenommen, Sie möchten einen Auftrag zur Durchführung baulicher Maßnahmen an ein Ingenieurbüro vergeben

11. Wie verschaffen Sie sich einen Überblick über das Marktangebot?

- Fachmessen
- Fachzeitschriften
- Empfehlungen durch Geschäftspartner
- Internetauftritte
- Referenzen
- Sonstiges

12. Nach welchen Kriterien wählen Sie den optimalen Partner für die Durchführung des jeweiligen Projekts aus?
(Mehrere Antworten möglich)

- Qualität
 - Preis
 - Referenzen
 - Zertifizierungen
 - Expertise
 - Innovationsfähigkeit
 - Serviceausführung nach altbewerten Standards
 - Leistungsspektrum
 - Potenzial für langfristige Geschäftsbeziehungen
 - Flexibilität
 - Nationalität des Personals
 - Unternehmenssitz
 - Sonstiges, nämlich:
-



6. Unternehmensbezogene Fragen

13. Bitte bewerten Sie die folgenden Aussagen:

	Dem stimme ich voll zu	Dem stimme ich teilweise zu	Neutral	Dem stimme ich nicht zu	Das weise ich entschieden zurück	k.A.
Bei der Partnerauswahl spielt die Flexibilität des Anbieters eine entscheidende Rolle.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In vollem Umfang über den Verlauf des Projekts informiert zu sein ist von großer Bedeutung.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alltägliche Probleme im Projektverlauf zu lösen liegt einzig und allein in der Verantwortung der beauftragten Partei.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planungsgenauigkeit ist bei Projektdurchführung von allergrößter Bedeutung	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Die Einhaltung des Budgetrahmens spielt für uns eine untergeordnete Rolle.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wir sind uns bewusst das der Begriff ECPM auch sämtliche Beratungsdienstleistungen umfasst.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Eine Ansprechperson für alle Belange im Partnerunternehmen zu haben ist für uns enorm wichtig.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



	Dem stimme ich voll zu	Dem stimme ich teilweise zu	Neutral	Dem stimme ich nicht zu	Das weise ich entschieden zurück	k.A.
Kontinuierlicher, gegenseitiger Informationsaustausch spielt für un seine untergeordnete Rolle.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Die Qualität der erbrachten Leistung spielt für uns eine untergeordnete Rolle.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Die Nationalität der Leistungserbringer spielt für uns eine untergeordnete keine Rolle.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auch auf Projektunterstützende Dienstleistung wie zum Beispiel den verantwortungsvollen Umgang mit Medien legen wir großen Wert.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Wer trifft in Ihrem Unternehmen letztendlich die finale Entscheidung, an welchen Dienstleister der Auftrag vergeben wird?

- Geschäftsführung
- Einkauf
- Technischer Einkauf
- Technische Leitung
- Produktionsleitung
- Entscheidungseinheit bestehend aus :

- Andere, nämlich:
