

Appendix II Within Case Analysis

| Firm A | Findings | Emergent Themes |
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| Introduction | Firm A is a synergistic group of technology companies with headquarters in Auckland, New Zealand. The focus of the firm is to provide innovative solutions to clients in the global air transport and logistics industries that deliver long term value. | |
| Size (Medium) | Annual Turnover within range of 200 - 400 Million (NZD) (200 -500 Staff) | Firm Size |
| Market Focus | The firm focuses on Australia, South Pacific, Mexico, Brazil, North America, Europe, Caribbean, Canada, Africa, Middle East, China and South East Asia. | Geographic Focus |
| Mode of Entry | The firm has undertaken a number of turnkey projects in the target markets and has an office based in Asia. | Mode of Entry – FDI |
| Firm Specific Advantages (capabilities and resources) | The firm's main capabilities lie in material handling, baggage handling, cargo handling, airport systems, logistics solutions, operations and maintenance. Since its inception, the firm's management was committed to establish an international presence (particularly in target | Firm specific capabilities Attitude of management (internationalisation important for growth) |

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| | <p>markets). The firm has achieved this goal by developing strategic partnerships with key stakeholders in target markets. The firm has created networks through strategic alliances. The firm undertakes regular trips to markets of interest in target markets. These visits have helped the firm better understand and establish a presence in the region. The firm also recognises the importance of customising its service offerings to suit the customer/market. Customising service offerings has helped the firm overcome competition build a strong presence in target markets.</p> | <p>Building market knowledge through local collaboration</p> <p>Experiential knowledge (regular visits to the target markets)</p> <p>Firm specific capabilities and resources integral to succeeding in target markets.</p> |
| Perceived Barriers | <p>The main challenges that the firm has faced in target markets are the level of government control and extensive bureaucracy. Market and cultural differences. The firm has also had issues in following up on contractual arrangements with local firms/government official. Widespread competition and limited financial resources as also seen as major impediments in the target markets.</p> | <p>Institutional and Market Factors (government control, extensive bureaucracy and cultural differences)</p> <p>Importance of firm specific resources (human financial resources)</p> <p>Extent of competition</p> |
| Role of Government Agencies | <p>The firm leverages of New Zealand Government agencies to gather market information and</p> | <p>Reliance on New Zealand based government agencies to develop a market presence in target markets.</p> |

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| | establish links with key stakeholders in foreign markets. | |
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| Firm B | Findings | Emergent Themes |
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| Introduction | Firm B is one of the largest civil engineering and related consultancy services companies in the Asia-Pacific. | |
| Size (Large) | Annual Turnover within range of 300 – 500 Million (NZD) (1000 - 3000 Staff) | Size |
| Market Focus | Australia, South Pacific, Asia, Middle East and South Eastern Europe. | Geographic Focus |
| Mode of Entry | The firm has three main hubs, New Zealand, Australia and Asia. | Mode of Entry - FDI & Strategic Alliances |
| Firm Specific Advantages (capabilities and resources) | <p>As well as numerous engineering consultancy services, firm B also offers services in architecture, planning, project and cost management, land information, earthquake proofing, valuations and software services, transport infrastructure (in particular road construction), water treatment and energy solutions.</p> <p>The management's corporate vision has been an important driving factor in the internationalisation of the firm. The management's foresight has helped the firm build a strong presence internationally (particularly target markets). The</p> | <p>Firm specific capabilities</p> <p>Attitude of management (internationalisation important for growth)</p> |

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| | <p>firm was contracted for various projects when it first commenced its operations in target markets in early 1970s. However the firm now has an established hub in the region. Regular market visits in the initial stages helped the firm establish a significant local presence in various markets in the region. The firm has developed a network of local partner firms which has helped the firm develop a niche by providing targeted and customised services in infrastructure and commercial developments (e.g.: roading of mines, rail links, and utilities developed for commercial buildings). Collaboration with local firms has also helped in better dealing with government officials and understanding project/market requirements. The firm also believes in hiring and training locally sourced staff to meet market needs.</p> | <p>Experiential knowledge (regular visits to markets of interest in the initial stages of establishing a presence in target markets)</p> <p>Building market knowledge through collaboration (linkage – leverage – learning/networking).</p> <p>Local talent developed as required by the company – firm specific resources.</p> |
| Perceived Barriers | <p>Training and up skilling employees is seen as a major challenge. Level of red tape around construction projects is also a major impediment. In addition, level of competition particularly in target markets is very high. The firm has also encountered difficulty in sourcing infrastructure</p> | <p>Importance of firm specific resources (human resources)</p> <p>Institutional and Market Factors (corruption, red tape and government control)</p> |

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| | <p>projects as most infrastructure development in target markets, (similar to other countries) is government controlled. Similarly the firm identifies corruption is a major issue across most markets in target markets. The firm also is also of the view that geographic distance between New Zealand and target markets can be a major barrier for many New Zealand civil construction firms considering projects in the region. Finally the firms also states that most New Zealand civil construction firms are SMEs, which may make it difficult for them to compete in large markets.</p> | <p>Extent of competition.</p> <p>Impact of geographic distance</p> <p>Firm size</p> |
| Role of Government Agencies | <p>The firm works closely New Zealand government agencies to gather market intelligence especially in target markets.</p> | <p>Reliance on New Zealand based government agencies to develop a market presence in target markets.</p> |

| Firm C | Findings | Emergent Themes |
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| Introduction | Firm C is a leading provider of construction and infrastructure development services in Australasia. | |
| Size (Large) | Annual turnover within range of 100 – 200 Billion (NZD) (1000- 3000 Staff) | Size |
| Market Focus | Australia, South Pacific, Europe, Middle East and Asia. | Geographic Focus |
| Mode of Entry | The firm has offices in Europe, Target markets and the Middle East. | FDI |
| Firm Specific Advantages | <p>The firm specialises in construction services and infrastructure development. Services offered by the firm include project feasibility studies, design and build, property, project and asset management services, technical management services and construct contracting. Internationalisation has been a part of the firm's growth strategy. Amongst other markets, the firm recognises the important role of the target markets in the global economy. Target markets have been important for the firm. In order to further its interests in the Asia, the firm has partnered with local firms in a number markets in target markets. This has helped the firm better understand market conditions and enabled the firm</p> | <p>Firm specific capabilities</p> <p>Attitude of the management</p> <p>Building market knowledge through collaboration. (linkage – leverage – learning/networking)</p> |

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| | to deal with challenges of operating in target markets. The firm is particularly recognised for its project feasibility studies, project and asset management services and construct contracting in target markets. Developing expertise specifically required for projects in target markets, has helped the firm compete in the region. The firm employs locally sourced staff as it helps in understanding market/project requirements and also assists in dealing with local clientele. | <p>Experiential knowledge (regular visits to markets of interest)</p> <p>Firm specific capabilities important in succeeding in international markets.</p> <p>Local talent developed as required by the firm—firm specific resources – human resource</p> |
| Perceived Barriers | The firm identifies cultural and language differences as a major issue in target markets. Asset ownership issues are also seen as major issue in the target markets as the level of government intervention is high. Political/ legal differences and extensive red tape in target markets is also a barrier. | <p>Institutional and Market factors (cultural and political and legal differences, red tape).</p> <p>Asset ownership issues due to government interference.</p> |
| Role of Government Agencies | Although the firm has sought market information the firm is not reliant on New Zealand government agencies to venture in target markets. | Limited interaction with New Zealand government agencies. |

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| | to understand market and client requirements in target markets. Building strategic relationships is seen primary to achieve success. Despite of having operations in target markets, the firm does not wish to undertake any infrastructure projects in the region. | (linkage – leverage – learning/networking) |
| Perceived Barriers | Although the firm has international operations, it should be noted that the firm does not undertake international infrastructure projects. The firm states that infrastructure projects are high risk ventures and therefore are not worth considering. Also, given its strong position in the New Zealand market, the firm states that there is a significant opportunity cost for undertaking international projects as the firm may lose out on opportunities in New Zealand. Also, unlike markets in target markets, New Zealand market offers a stable environment. Additionally the firm identifies geographic distance between New Zealand and target markets as a major challenge. Gaining an understanding of political and legal requirements is also seen as a barrier. Given the diversity of target markets, cultural and languages differences are also seen as an obstacle when | <p>Attitude of management - firm's vision on growth strategy</p> <p>Opportunities in the domestic and international markets seen as substitutes (fear of losing out on work in the domestic market. – attitude of management towards internationalisation)</p> <p>Institutional and Market factors (cultural and political and legal differences)</p> <p>Extent of competition</p> |

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| | considering operations in the region. Extent of competition is also identified as a key issue. | |
| Role of Government Agencies | The firm does see the value of government assistance for conducting operations in target markets, however has never sought assistance from the agencies. | Lack of interaction between government agencies and firms in the New Zealand civil construction sector. |

| Firm E | Findings | Emergent Themes |
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| Introduction | Firm E is one of the leading roading and construction companies in New Zealand. | |
| Size (Very Large) | Annual Turnover within range of 1-5 Billion (NZD) (3000- 5000 Staff) | Size |
| Market Focus | New Zealand, Australia and the South Pacific (Fiji) | Geographic Focus based on Psychic distance |
| Mode of Entry | The firm is proficient in a wide variety of contracting arrangements including construct-only, design and construct, public private partnerships, contractor, alliances/ joint ventures. | Strategic Alliances, Joint Ventures and PPP arrangements. |
| Firm specific advantages | The firm specialises in civil contracting, design and build of transport infrastructure. In particular the firm focuses on road and bridge construction, traffic engineering, airport and port development and upgrades, light and heavy rail infrastructure road safety, water and waste water projects, as well as energy and mining infrastructure. The firm is also a major supplier of construction materials, infrastructure maintenance and construction services to a broad range of business sectors. | Firm specific capabilities |

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| | <p>The firm has a well-established presence in Australia and the South Pacific (in particular Fiji). The firm is especially recognised for its expertise in water and waste water projects, surfacing, and road airport and port development. The firm recognises the importance of internationalisation and states the growth of the firm is dependent on continually working on projects beyond New Zealand. The firm has spent significant time and resources to establish its presence in both Australia and the South Pacific markets. Gathering market intelligence has been critical for setting up its operations in the two markets. Input from local employees in the two markets has been integral in assisting the firm institute a presence in the region. The firm also acknowledges the importance of strategic alliances/joint ventures to succeed in an international market.</p> | <p>Firm specific capabilities important in succeeding in international markets. Reputation</p> <p>Attitude of management</p> <p>Local talent developed as required by the firm– firm specific resources.</p> <p>Building market knowledge through collaboration. (linkage-learning-leverage)</p> |
| Perceived Barriers | <p>Although the firm enjoys a strong market position in both Australia and the South Pacific, the firm has not considered undertaking operations in the target markets. The firm states that projects in the target markets are often large scale and require significant</p> | <p>Importance of firm specific resources (financial)</p> <p>Length of the project (time commitments)</p> |

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| | <p>financial investments, which may be beyond the financial capacity of the firm. Completing a project within a given time frame and with limited financial resources according to the firm can be a major challenge especially in an international setting. The firm also states that understanding the requirements of a client/project can be also be difficult especially if a firm has very limited knowledge about the nature of work that is undertaken in a given market. The firm also states that the regulations around health and safety of the workers can be also a major challenge in emerging markets, as the labour and worker protection standards are fairly under developed and complex to understand. Level of competition is also seen as a major issue in foreign markets. Negotiating contractual terms and conditions can also be a problem as the legalities around contracts in the target markets are often complicated and require sound knowledge of the legal systems.</p> | <p>Lack of experiential knowledge (client/project/market requirements)</p> <p>Time commitment</p> <p>Extent of competition</p> <p>Institutional and Market factors (standards regulating human resource and legal differences)</p> |
| Role of Government Agencies | <p>The organisation has not sought any assistance from New Zealand government agencies to source market information when internationalising.</p> | <p>Lack of interaction between government agencies and firms in the New Zealand civil construction sector.</p> |

| Firm F | Findings | Emergent Themes |
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| Introduction | Firm F is a well-established provider of construction services. From its beginnings as a small building firm the firm has evolved to become a significant commercial construction firm in New Zealand. | |
| Size (Small) | Annual Turnover within range of 100-200 Million (NZD) (50-200 Staff) | Small |
| Market Focus | The firm currently focuses only on the New Zealand market. | Geographic Focus |
| Mode of Entry | Established in New Zealand, the firm solely operates in the domestic market, with a majority of the projects undertaken in Auckland. | |
| Firm specific advantages | With its foundations in commercial construction, the firm is recognised for its specialist services in the area of heavy industrial warehousing, top-end corporate office buildings and historic refurbishment, environmentally sustainable design and build capability, development. The firm's involvement can be flexible, from a single aspect of the project to managing the entire project; from initial scoping and planning, across project financing, to design and | Firm specific capabilities Reputation |

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| | <p>construction management. Although the firm has operated in New Zealand for over 70 years, it has only operated in the domestic market. The firm recognises the importance of target markets but it does not wish to undertake operations.</p> | <p>Attitude of management (internationalisation not important for growth)</p> |
| Perceived Barriers | <p>The firm enjoys a strong position in the domestic market and views New Zealand as its primary focus. Although the firm has operated in New Zealand for over 70 years, it is a firm with limited resources. Employing only 200 staff, the firm states that it does not have the necessary human resource to undertake large scale international projects and sourcing the right human resource can be quite difficult, especially in an international setting. Also, training the staff if required can be an added expense. The firm further adds that the cost of setting up a presence in Target markets is beyond the current financial capacity of the firm. Infrastructure projects, according to the firm are high risk often coupled with uncertainty. Given the dynamics of the region, undertaking projects in the target markets can be volatile. Majority of the current work comes through repeat business from domestic clients. Therefore seeking new market</p> | <p>Importance of firm specific resources (human resources and financial)</p> <p>Cost of setting up presence in foreign markets (lack of financial resources)</p> <p>Firm size</p> <p>Lack of experiential knowledge (market requirements)</p> <p>Stability in the domestic market</p> <p>Opportunities in the domestic and international markets seen as substitutes (fear of losing out on work</p> |

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| | <p>opportunities, according to the firm, is not a part of the firm's growth strategy. The stability of and secure work prospects in New Zealand, therefore makes the target markets less attractive. Also, the firm states that limited market knowledge can be a major hindrance in succeeding in the target markets. Given the complexities of the markets in target markets, differing political and legal requirements can also be a major concern.</p> | <p>in the domestic market. – attitude of management towards internationalisation)</p> <p>Institutional and Market factors (cultural and legal differences)</p> |
| Role of Government Agencies | <p>The firm has never sought assistance from government agencies.</p> | <p>Lack of interaction between government agencies and firms in the New Zealand civil construction sector.</p> |

| Firm G | Findings | Emergent Themes |
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| Introduction | Firm G is a leading civil construction contractor in New Zealand. The firm has been operating for more than 60 years in the New Zealand market. | |
| Size (Medium) | Annual Turnover within range of 100-200 Million (NZD) (500-1000 Staff) | Medium |
| Market Focus | The firm operates in New Zealand and the South Pacific region. | Geographic Focus |
| Mode of Entry | The firm has worked on contract basis on various projects in the South Pacific and has recently established an office in the region (FDI). Prior to establishing an office, the firm sourced overseas work through partners that they had worked for in New Zealand. | Contracting and FDI |
| Firm specific advantages | The firm has expertise in providing design and build services for wind farms, airports, roads and port hardstand container infrastructure. The firm also is a major manufacturer and supplier of concrete, bitumen, asphalt and aggregate – material used in roading - in New Zealand and the South Pacific. The firm has built a strong presence in the South Pacific through a series of strategic alliance partnerships. The firm further adds that partnerships | <p>Firm specific capabilities</p> <p>Firm specific capabilities key in developing a presence in the South Pacific.</p> |

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| | <p>have been integral in developing a sound understanding of the dynamics of the region and have helped them better strategise their operations. Long term commitment to developing their business in the South Pacific has led to the firm establishing an office in the region. With this presence the firm aims to further expand their operations in the region. Establishing an office has also helped the firm gain more local input which has assisted in minimising the risks associated with infrastructure projects.</p> | <p>Building market knowledge through collaboration. (linkage – leverage – learning/networking)</p> <p>Importance of firm specific resources (human resource)</p> <p>Long term commitment</p> <p>Importance of establishing an office.</p> <p>Importance of local input.</p> |
| Perceived Barriers | <p>Although the firm operates in the South Pacific region it has no current plans to pursue business opportunities in the target markets. The firm states that operating in the target markets can be challenging. Of the various issues, the firm highlights three specific factors that may impede operations in the target markets. Firstly, lack of knowledge and experience of operating in target markets, according to the firm, is a major issue. The firm states that experiential knowledge is key to succeeding in a region like target markets. Although the firm has international experience, it does not</p> | <p>Lack of experiential knowledge (lack of market knowledge)</p> |

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| | <p>have the exposure required to undertake operations in the target markets. Secondly the firm states that getting the right staff for large scale international projects can be an issue. Sourcing local labour can be quite challenging for a firm especially if the firm has very limited knowledge of the skill sets available in a given foreign market. The firm further states that sourcing the right kind of talent for overseas project can be an impediment as employees may be unwilling to relocate to a foreign market for the duration of the project. Lastly financial costs and risk of not getting paid by clients can be a major problem. The firm states that given their current resources, the firm does not have capital to undertake large scale projects in the target markets. Also the risk of not getting paid, according to firm, is particularly high in construction projects as the projects can often get delayed due to government intervention. Given the scale of investment required, the firm states that the risk of losing out on payments is one of the reasons that the firm is sceptical of undertaking projects in the target markets.</p> | <p>Importance of firm specific resources (finding the right human resources can be an issue)</p> <p>Importance of firm specific resources (limited financial resources)</p> <p>Risk of losing out on financial investments</p> |
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| Role of Government Agencies | The firm does not seek any assistance from New Zealand government agencies for operating in the South Pacific region. | Lack of interaction between government agencies and firms in the New Zealand civil construction sector. |
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| Firm H | Findings | Emergent Themes |
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| Introduction | Firm H is one of New Zealand's longest-established architecture and design practices. The firm is well known for its expertise in the area and is a market leader in providing sustainable Architecture services. | |
| Size (Medium) | Annual Turnover within range of 20-25 Million (NZD) (50 – 200 Staff) | Medium |
| Market Focus | The firm has operations in New Zealand, Australia and Asia. | Geographic Focus |
| Mode of Entry | The firm has undertaken international opportunities through project-based contracts in both Australia and Asia. The presence of the firm in both these markets is relatively small. | Contracting |
| Firm specific advantages | The firm specialises in architecture, interior design, landscape architecture, urban design, sustainable design and workplace strategy. Although the firm has a limited presence in the target markets, it is recognised for its expertise in landscape architecture, urban design, sustainable design in the region. The firm states that offering customised | <p>Firm specific capabilities</p> <p>Firm specific capabilities important in succeeding in international markets.</p> |

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| | <p>solutions to clients has been key in securing projects in the target markets. The firm also states that New Zealand architecture expertise especially in sustainable and urban design is well recognised in the region. The firm further adds that it has found it useful to employ local staff where possible to better understand the requirements of the projects and the clients.</p> | <p>Reputation</p> <p>Local talent important in understanding the project and client requirements. – firm specific resources</p> |
| Perceived Barriers | <p>Although the firm has a very small presence in the target markets, it still has experienced early stumbling blocks that include red tape and bureaucracy in sourcing construction projects in the region. Level of corruption is also identified as a major issue. The firm further adds that meeting contractual agreements and getting paid on time can be a challenge as well. Though the target markets are challenging to operate, the firm states that the opportunities that these markets offer are too big to ignore. Target markets, according to the firm, are important for the firm's international growth. Given the dynamics of the target markets, the firm states that it is important to establish connections with local agents and partner firms. Partnering with local</p> | <p>Institutional and Market factors (red tape, bureaucracy and corruption)</p> <p>Risk of losing out on financial investments</p> <p>Attitude of management (internationalisation important for growth)</p> <p>Building market knowledge through collaboration (linkage-leverage-learning)</p> |

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| | <p>agents and firms has helped the firm better understand the project and market requirements. Local input has also facilitated in helping the firm overcome the barriers of operating in the target markets. The firm also states that regular visits to the markets make it easier to gather both experience and knowledge of operating in the target markets. Finally the firm also states that the level of risk although high, the barriers can be overcome through developing effective strategies.</p> | Importance of experiential knowledge (market requirements) |
| Role of Government Agencies | <p>The firm has not sought any assistance from New Zealand government agencies so far, but is open to the option of gathering market intelligence from the agencies as it gets more work in the target markets.</p> | Information on available government assistance |

| Firm I | Findings | Emergent Themes |
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| Introduction | Based in New Zealand Firm I is an international market leader in delivering risk and insurance services and solutions to its clients. The firm's clients vary by size, industry, geography and risk exposures. The firm is organised to serve clients efficiently and effectively, delivering tailored solutions based on complexity of the risk, the international presence of the client, and matched to clients' buying styles. | |
| Size | Annual Turnover within range of (0 - 5 Billion (NZD) (Staff 3000 - 5000) | Very Large |
| Market Focus | The firm serves the following regions - Asia-Pacific, Europe, Americas, Middle East and Africa | Geographic Focus |
| Mode of Entry | The firm has offices worldwide. | FDI |
| Firm Specific Advantages | The firm specialises in providing risk management, risk consulting, insurance broking, alternative risk financing, and insurance program management services. The construction practice division of the firm in New Zealand provides advisory and transactional services to architects, engineers, | Firm specific capabilities |

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| | <p>designers, contractors (including general contractors, trades, road builders, and other specialty contractors), building developers and other construction-related organisations. The firm has an established presence in all the major countries around the world, including the target markets and employs local staff in their subsidiaries. The reason behind this strategy, according to the firm, is to be able to provide customised and tailored services in accordance to market and industry requirements. In case of international infrastructure projects, if required, the firm also works with government agencies, partner firms and other stakeholders to gather requisite details about the project and associated risks. This is done with the intention to provide a customised policy that meets the requirements of the client, firms involved and the government. The firm offers specialised solutions to New Zealand civil construction firms undertaking infrastructure and other construction projects, both in New Zealand and internationally.</p> | <p>Local staff integral to success in an international setting – firm specific resources (human resource)</p> <p>Building market knowledge through collaboration.</p> |
| (Perceived) Barriers | <p>Given the nature of construction projects, the firm states that meeting client's expectations and project</p> | <p>Length of the project (time commitments)</p> |

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| | <p>requirements in a timely fashion is one of the biggest challenges especially in an international setting. Providing insurance and risk management services especially for infrastructure projects in a foreign market can present an array of issues and there is a whole myriad of complexities that needs to be dealt with. The firm states that in addition to issues of cultural differences and distance from the target markets, New Zealand civil construction firms often are faced with legal challenges especially in the area of infrastructure development as the level of government involvement in these projects is very high. According to the firm in different jurisdictions there are different legal requirements and associated risks, so providing the right insurance coverage and risk assessment to firms that consider infrastructure projects in the target markets can be quite a minefield. The level of bureaucracy can also be an issue as the term “risk” may be viewed differently in different markets. Hence the level of paperwork and information expected by partner firms, governments and other stakeholders can vary greatly in an international setting. The extent of red tape is also</p> | <p>Geographic distance</p> <p>Institutional and Market factors (bureaucracy, red tape, cultural and legal differences)</p> <p>Risk of losing out on financial investments</p> |
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| | <p>dependent on the nature of the project and the market. Lack of understanding of associated risks and the importance of insurance cover, can sometimes result into huge financial losses for the firms involved. This aspect is particularly relevant for New Zealand civil construction firms as they may not always have the financial capacity to incur such losses.</p> | |
| Role of Government Agencies | <p>The firm does not seek any assistance from New Zealand based government agencies to gather market knowledge while operating in target markets.</p> | <p>Lack of interaction between government agencies and firms in the New Zealand civil construction sector.</p> |

| Firm J | Findings | Emergent Themes |
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| Introduction | Firm J is a New Zealand based commercial construction firm that specialises in complex projects which require design input. | |
| Size | Annual Turnover within range of 40 – 50 Million (NZD) (25 – 50 employees) | Small |
| Market Focus | Although the firm primarily focuses on the New Zealand market, it has undertaken project based work in the Pacific Islands and Asia. | Geographic Focus |
| Mode of Entry | The firm has undertaken contracts in the Pacific Islands and Asia. | Contracting |
| Firm specific advantages | The firm specialises in design and build, building information modelling, network modelling, fabrication, commercial construction and infrastructure development. The firm is recognised for its expertise in fabrication, commercial construction in the target markets and was approached by local clients in the target markets to undertake the projects. The overseas projects undertaken by the firm till date have been developed and executed from a New Zealand base. In a couple of cases the firm has gone to the target markets to oversee the installation of the projects. The firm has also exported designs and | Firm specific capabilities Firm specific capabilities important in succeeding in international markets. Reputation Working primarily from a New Zealand base |

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| | <p>fabrications to clients in two of the target markets (China and India). The market entry strategies outlined here are undertaken by the firm to minimise risks associated with operating internationally.</p> | |
| <p>Perceived Barriers</p> | <p>Although the firm is recognised for its expertise, the firm does not wish to commit to developing a presence in the target markets. While clients from the target markets have approached the firm, sourcing regular work in the target markets is seen as challenge, as the firm feels it is difficult to beat local firms in the region as their own game. The firm also states that time and money spent in identifying overseas opportunities also at times comes at a cost of losing domestic work. Level of corruption and bribery is also one of the reasons that the firm has not considered the target markets, as this does not sit well with the firm's ethics. Also the firm is of the view that often when seeking overseas opportunities although the government or private clients in a given foreign market would gather the requisite information from a New Zealand firm, they (either government or private client) may prefer to give work to a local as opposed to a New Zealand firm.</p> | <p>Extent of Competition</p> <p>Opportunities in the domestic and international markets seen as substitutes (fear of losing out on work in the domestic market. – attitude of management towards internationalisation)</p> <p>Institutional and Market factors (bureaucracy, red tape, corruption and bribery – does not fit the firm's corporate culture)</p> <p>Preference to local firms compared to New Zealand civil construction firms.</p> |

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| Role of Government Agencies | The firm has not sought assistance from New Zealand government for international projects till date but hopes to approach these agencies should it consider any projects in the target markets in the future. | Limited interaction between government agencies and firms in the New Zealand civil construction sector. |
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| Firm K | Findings | Emergent Themes |
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| Introduction | Firm K is a market leader engineering consultancy in New Zealand. With a corporate history spanning almost a century, the firm is long established as a professional services consultancy for the provision and design of infrastructure both in New Zealand and internationally. | |
| Size | Annual Turnover within range of 400 – 500 Million (NZD) (3000-5000 Staff) | Large |
| Market Focus | Australia, South Pacific, Canada, Asia and Europe. | Geographic Focus |
| Mode of Entry | The firm has established offices in major markets around the world. The primary mode of entry is either a merger or an alliance with a partner firm in a foreign market. | FDI (Mergers and Acquisitions) |
| Firm specific advantages | The firm's expertise lies in infrastructure development covering planning, design, project management, construction supervision, maintenance | Firm specific capabilities |

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| | <p>and rehabilitation. The firm is recognised for its capabilities in the target markets and has succeeded in procuring a number of projects in the target markets. Its ability to offer tailored and cost effective solutions, according to the firm, is one of the primary reasons behind its success in the target markets. The firm further states that long term commitment and a corporate vision that recognises the importance of international markets has played a critical role in helping the firm develop a presence in the target markets. Relationships established through mergers or joint ventures have been a key strategy for the firm to understand the dynamics of operating in the target markets. Also experience of operating internationally has helped the firm create effective strategies to better understand and operate in those markets. In addition to hiring local staff in the target markets, the firm also deploys technical staff from New Zealand to work on projects as required. Employing local staff has helped the firm better serve its clients in the target market.</p> | <p>Firm specific capabilities important in succeeding in international markets.</p> <p>Attitude of management (internationalisation important for growth)</p> <p>Building market knowledge through collaboration (linkage-leverage-learning)</p> <p>Importance of experiential knowledge</p> <p>Importance of firm specific resources (human resources)</p> |
| Perceived Barriers | <p>Given its international experience, firm has a wealth of knowledge and expertise to manage international operations. However, the firm does state that</p> | <p>Institutional and Market factors (bureaucracy, red tape, corruption and bribery, language and cultural differences)</p> |

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| | operating in target markets presents a unique set of barriers. Red tape and corruption is one of the main challenges that the firm has dealt with whilst undertaking projects in the target markets. Meeting client expectations on time is another issue that the firm deals with on a regular basis. Language and cultural differences at times can be a hindrance to understanding the customers' requirements. Finding the right skills (human resource) also can be an issue. | <p>Length of the project (time commitment)</p> <p>Importance of firm specific resources (finding the right human resources)</p> |
| Role of Government Agencies | The firm works closely New Zealand government agencies to gather market intelligence especially in target markets. | Reliance on New Zealand based government agencies to develop a market presence in target markets. |

| Firm L | Findings | Emergent Themes |
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| Introduction | Firm L is a cost and project management firm that specialises in acquiring, developing and owning infrastructure and commercial property assets. | |
| Size | Annual Turnover within range of 40 – 50 Million (NZD) (40 – 50 Staff) | Small |
| Market Focus | The firm predominantly focuses on the New Zealand market. The firm has worked in the Pacific Islands and Australia, but is no longer active in those markets. The firm has also worked for a client from the Middle East in New Zealand. | Geographic |
| Mode of Entry | The firm has worked on contract basis on most overseas projects and had an alliance in one case. | Contract and Alliance |
| Firm specific advantages | The firm specialises in fixed asset management lifecycle, development and project management, planning, operation and reinvestment, feasibility studies for design and build, procurement options and value management process. The firm is well placed in the New Zealand market and has a strong reputation for development and project management, planning, operation and reinvestment, feasibility studies for design and build. The firm was sought by clients in Australia and the Pacific Islands for its expertise in | <p>Firm specific capabilities</p> <p>Firm specific capabilities important in succeeding in international markets.</p> |

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| | feasibility studies for design and build. The firm states that its ability to deliver customised and cost effective solutions was a major factor in procuring projects in both Australia and the Pacific Islands. | |
| Perceived Barriers | <p>Although the firm has enjoyed success in international markets, the firm states that it is comfortable with its position in New Zealand and has no plans of internationalising its operations. The firm is also of the view the size of the organisation is not large enough for it to consider opportunities in the target markets. The firm also states that prior experience of operating in a foreign market has not generated constructive outcomes for the firm to consider opportunities beyond New Zealand. Also as firms in the target markets tend to compete on the basis of price, the firm feels that they may not be able to beat local firms on those grounds. The lack of understanding of the target markets is also a reason for not considering opportunities in those markets. The firm also states that it is easier and profitable to just concentrate on the New Zealand market.</p> | <p>Attitude of management (internationalisation not important for growth)</p> <p>Firm Size</p> <p>Prior international experience has generated little positive outcome (Impact of experiential knowledge)</p> <p>Inability to compete</p> <p>Lack of experiential knowledge (market requirements)</p> <p>Opportunities in the domestic and international markets seen as substitutes (Content with current opportunities in New Zealand – attitude of management towards internationalisation)</p> |

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| Role of Government Agencies | The firm has not sought any assistance from New Zealand government agencies to source work in Australia and the Pacific Islands. | Lack of interaction between government agencies and firms in the New Zealand civil construction sector. |
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| Firm M | Findings | Emergent Themes |
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| Introduction | Firm M is a multi-disciplined firm with a wealth of experience in both the construction and property development sectors. | |
| Size | Annual Turnover within range of 150 – 250 million (NZD) (Staff 100 - 200) | Medium |
| Market Focus | The firm predominantly focuses on the New Zealand market and has undertaken projects in Australia. | |
| Mode of Entry | The firm had established an office in Australia; however the firm no longer operates in the market. | FDI |
| Firm specific advantages | <p>The core services offered by the firm include design and build, infrastructure development (commercial, and industrial), residential construction, construction management and development. Established in New Zealand for over 30 years, the firm enjoys a strong domestic market position. The firm is especially recognised for its expertise in infrastructure development both commercial and industrial both in New Zealand and Australia. Expertise in design and build and infrastructure development helped the firm win several projects in Australia. The firm states that it was able to beat</p> | <p>Firm specific capabilities</p> <p>Reputation</p> <p>Firm specific capabilities important in succeeding in international markets.</p> |

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| | competition in Australia as it had niche capabilities that were lacking amongst its Australian competitors. | |
| Perceived Barriers | <p>Although the firm has had successful operations in Australia, availability and extent of work in New Zealand made it difficult for the firm to concentrate on both the markets. This is also the reason for not considering operations in the target markets. The firm states that the domestic market provides a constant stream of projects which makes it difficult to commit to other markets. The firm is of the view that sourcing and maintaining long term business in a foreign market was difficult. Also, given their size, the firm feels that they may not always have financial resources required to undertake large scale projects in the target markets. Considering operations in the target markets therefore takes time, finances and commitment which the firm feels is not always worth the investment. Lack of market and institutional knowledge and fear of losing money in target markets were also prime concerns for the firm. Finally, the firm states that given the nature of infrastructure projects, finding and</p> | <p>Opportunities in the domestic and international markets seen as substitutes (fear of losing out on work in the domestic market. – attitude of management towards internationalisation)</p> <p>Firm Size</p> <p>Importance of firm specific resources (human resources and financial)</p> <p>Risk of losing out on financial investments</p> <p>Institutional and Market factors (cultural and legal differences)</p> <p>Importance of firm specific resources (human resources - Difficulty in finding and retaining human resource)</p> |

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| | managing human resources in a foreign market is one of the major issues that it has faced in its past international projects. | |
| Role of Government Agencies | The firm has not sought any government assistance from New Zealand government agencies to pursue opportunities in overseas markets. | Lack of interaction between government agencies and firms in the New Zealand civil construction sector. |

| Firm N | Findings | Emergent Themes |
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| Introduction | Firm N is an international practice of property, project and cost management consultants in building construction, infrastructure and management of facilities. The firm provides consultancy services on a wide range of commissions for public and private sector clients. | |
| Size | Annual Turnover within range of 20-25 Million (NZD) (Staff: 100-200) | Medium |
| Market Focus | United Kingdom, Europe, Asia, India, North America, Central America, Australia and the Pacific. | Geographic Focus |
| Mode of Entry | The firm has established offices in major markets around the world. | FDI |
| Firm specific advantages | The firm specialises in quantity surveying, construction cost management, sustainability assessment and advice, project management and cost management as well as infrastructure development. Its ability to work closely with its clients to provide world class services in the areas of construction cost management, sustainability assessment and advice, project management and infrastructure development | Firm specific capabilities Reputation |

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| | has helped the firm earn a strong position in an international setting. The firm states that its expertise has been a key factor in helping it cater to an international client base. | Firm specific capabilities important in succeeding in international markets. |
| Perceived Barriers | The firm identifies understanding customer and project requirements as one of the most common issues that firms face while considering international markets. The firm also states that differing standards and practices make it difficult for firms to understand the dynamics of a given foreign markets. Given the nature of the target markets, the firm states that differences in legal, political and cultural factors can be very difficult to comprehend, especially if a firm has no prior experience of operating in such settings. Market knowledge and experience of operating in international markets, therefore may help a firm better understand how to best overcome the barriers of functioning in target markets. The firm is also of the view that competing on the basis of price is often challenging. Also, given the nature of the construction projects, the firm states that there always the risk of losing out on the investments made, which may make international projects more | <p>Lack of experiential knowledge (market requirements)</p> <p>Institutional and Market factors (cultural and legal differences)</p> <p>Price a key factor</p> <p>Risk of losing out on financial investments</p> |

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| | <p>risk prone. Regardless of the challenges, the target markets, according to the firm, are important. Building networks to establish a local presence although is time consuming, however the firm states that having a local presence in target markets has helped them better understand those markets. The respondent also states that employing local talent has helped the firm understand the project requirements better.</p> | <p>Attitude of management (internationalisation important for growth)</p> <p>Building market knowledge through collaboration.</p> <p>Local talent developed as required by the company – firm specific resources.</p> |
| Role of Government Agencies | <p>The firm has not sought any assistance from New Zealand agencies to operate in target markets.</p> | <p>Lack of interaction between government agencies and firms in the New Zealand civil construction sector.</p> |

| Firm O | Findings | Emergent Themes |
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| Introduction | With over forty years of construction experience Firm O is one of the leading construction and property developers in New Zealand. | |
| Size | Annual Turnover – 300 – 500 million (NZD) (Staff - 300 – 500) | Firm Size |
| Market Focus | New Zealand, Australia and Pacific Islands | Geographic Focus |
| Mode of Entry | The firm has undertaken contracts in both Australia and Pacific Islands. | Contracts |
| Firm specific advantages | The firm specialises in the area of design and build, project management, wind farm development, infrastructure development, facilities management hydraulic and geothermal reservoir management. Its expertise for design and build, project management, and wind farm development has helped the firm secure a number of projects in the Pacific Islands. The firm has also undertaken a few projects in Australia that utilised its capabilities in infrastructure development (in particular roading) and facilities management. | Firm specific capabilities Firm specific capabilities important in succeeding in international markets. Reputation |

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| <p>Perceived Barriers</p> | <p>Although the firm has undertaken international projects, the work is largely limited to markets that are close to New Zealand. This is because the firm is more familiar with markets closer to New Zealand. The firm perceives target markets as a challenging market and believes that the firm lacks requisite resources (human and capital) to consider international expansion at that scale. The extent of competition in the region is also considered as a major issue. Additionally, the firm also states that opportunities in the domestic market (New Zealand) and the target markets are substitutes and not complementary. Therefore the opportunity cost of doing business in the target markets can be quite high. The firm further states that the stability of the domestic market, especially post Christchurch earthquakes, makes international prospects less attractive. The firm is also of the view that New Zealand civil construction firms are less likely to succeed in the target markets. This is because most firms in the sector are SMEs and have limited resources to compete in large international markets. Limited international experience, according to the</p> | <p>Internationalisation based on pshysic distance</p> <p>Importance of firm specific resources (human resources and financial)</p> <p>Extent of competition</p> <p>Opportunities in the domestic and international markets seen as substitutes (fear of losing out on work in the domestic market. – attitude of management towards internationalisation)</p> <p>Firm Size</p> |
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| | firm, is therefore can be a major constraint for New Zealand civil construction firms. | Lack of experiential knowledge (market requirements) |
| Role of Government Agencies | The firm has sought assistance from government agencies to help gather market intelligence for a couple of projects in the Pacific Islands. | Reliance on New Zealand based government agencies to develop a market presence in international markets. |

| Agency 1 | Findings | Emergent Themes |
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| Introduction | The primary role of Agency 1 is to provide international business support services to New Zealand firms across different industries. These services are designed to connect firms with opportunities in overseas markets and provide assistance in operating internationally. | |
| Market Focus | Pacific, Asia, Middle East, UK, US and Europe. | Geographic Focus |
| Mode of Entry | The agency has offices across various locations | Government representation |
| Services offered | The agency offers market entry, research, financial support, networking and business development services. The type of assistance available varies depending on the location of the market, the industry and the firm's level of experience and capability. The agency achieves this through the provision of various programmes that are specifically tailored around the capabilities/specialisations of New Zealand civil construction firms and the issues faced by them when considering international markets. Given the dynamics of operating in target markets, the agency works closely with New Zealand civil construction firms interested in operating in the target markets. | |

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| | <p>Amongst other services, the agency helps New Zealand civil construction firms gather critical information necessary to operate in those markets. The agency also helps New Zealand civil constructions firms in developing connections with key stakeholders as well as helps in identifying potential clients and possible partner firms in the target markets. In addition, the agency also provides financial assistance for New Zealand civil construction firms interested in undertaking operations in Emerging Asia (in particular target markets).</p> | |
| Perceived Barriers | <p>Representatives of the agency state that international markets, particularly the target markets, offer long term growth prospects for New Zealand civil construction firms. However, despite promising opportunities, the representatives are of the view that New Zealand firms (in this case civil construction firms) fail to understand the dynamics of the target markets. Representatives of the agency state that their main role is to help firms create and foster international business opportunities in markets of potential interest. The representatives of the agency</p> | Importance of internationalisation |

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| | <p>state that despite the services that they provide, most New Zealand civil construction firms are reluctant to consider operations in the target markets. The respondents feel that perhaps the dynamic environment of the target markets and lack of experience are two factors that possibly stop civil construction firms from considering opportunities in those markets. The respondents also state that often New Zealand civil construction firms are not able to comprehend the size of these markets and try to internationalise without gathering sufficient market knowledge or advice on how to best enter and operate in such settings. They further add that often New Zealand civil construction firms do not approach them when considering international markets try and undertake work on their own; however limited resources and market experience often stop them from succeeding internationally. As a result New Zealand civil construction firms often end up wasting resources, time and energy which makes them averse to consider operations in the target markets. In order to succeed in the target markets, the respondents state that it is important that New Zealand civil</p> | <p>Institutional and Market Factors</p> <p>Lack of experiential knowledge (market requirements)</p> <p>Market size</p> <p>Lack of market research</p> <p>Limited interaction between firms and government agencies</p> |
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| | <p>construction firms form a consortium and bid for a project as a group rather than bidding for work independently. Collaboration to source work in infrastructure development is vital. The respondents also state that it is critical that New Zealand civil construction firms think big and focus on long term growth.</p> | Importance of Collaboration |
| Role of Other Government Agencies | <p>Agency 1 works closely with Agency 2 to help New Zealand firms successfully internationalise and operate in foreign markets.</p> | |

| Agency 2 | Findings | Emergent Themes |
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| Introduction | <p>Agency 2 is responsible for protecting and promoting New Zealand's interests overseas. The agency is the government's lead source of advice on foreign and trade policy, international climate change negotiations, diplomatic and consular issues and international development assistance. The agency also provides legal advice on international issues and is the formal channel for the government's communications to and from other countries and international organisations. In order to achieve these goals the agency works with foreign governments and other international and non-government organisations in areas of mutual interest. It also leads initiatives on behalf of 'NZ Inc.' which primarily focuses on furthering New Zealand business interests in Asia, with a particular focus on the target markets.</p> | |
| Market Focus | Pacific, Asia, Middle East, UK, US and Europe. | Geographic Focus |
| Mode of Entry | The agency has 58 overseas posts that are accredited to 126 countries and principal international | Government representation |

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| | organisations as well as nine Consulates-General that are managed by Agency 1. | |
| Services offered | <p>The agency provides a broad range of strategic services to build political relationships, deepen trading relationship, and offer support and expertise in such areas as agricultural development, education, ICT, construction services, dairy and forestry. Additionally, the agency also provides aid in disaster relief, collective security, and combatting transnational crime across all its partner countries. Similar to Agency 1, the type and extent of services provided depend on the economic and political relevance of a given partner nation. To manage and further New Zealand's trade interests, Agency 2 works closely with Agency 1 to provide New Zealand firms and industry bodies with the information and resources necessary to operate in international markets. Agency 2 has particular interests in the developing and strengthening economic partnerships with Asia, with a specific focus on the target markets.</p> | |

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| <p>Perceived Barriers</p> | <p>Agency 2 states that the international trade is key for New Zealand's economy. Amongst other markets, the representative from Agency 2 states that Asia and more specifically the target markets are particularly important for New Zealand's long term economic growth. The representative from the Agency states that given the extent of urbanisation, the target markets offer promising opportunities for New Zealand civil construction firms. However despite the opportunities, the participation of New Zealand civil construction firms in the target markets is very limited. Small firm size, limited resources according to the Agency, are perhaps two factors that stop New Zealand civil construction firms from considering projects in the target markets. The representative further states that as most New Zealand civil construction firms are SMEs, information gathering can be an expensive exercise especially if a firm has limited financial resources. New Zealand civil construction firms, according to the Agency, therefore need to be proactive and interact and seek support from government agencies. Agency 2 states that New</p> | <p>Importance of internationalisation</p> <p>Firm size</p> <p>Importance of firm specific resources (human resources and financial)</p> |
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| | <p>Zealand civil construction firms that have successfully undertaken projects in the target markets have put in the time, resources and effort to ensure that they understand the requirements of the target markets. The representative also states that these firms have been proactive in connecting with Agency 1 to gather market intelligence and support services to that led to their success in the target markets.</p> | <p>Commitment towards international markets</p> <p>Reliance on New Zealand based government agencies to develop a market presence in target markets.</p> |
| Role of Other Government Agencies | <p>Agency 1 works closely Agency 2 to help New Zealand firms successfully internationalise and operate in foreign markets.</p> | |

| Industry Body | Findings | Emergent Themes |
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| Introduction | The Industry Body is a not-for-profit research organisation dedicated to serving the needs of the heavy engineering industry in New Zealand. While the emphasis of its activities is on heavy engineering, the Industry Body also services the wider metals industry interests such as light-gauge steel, stainless steels, light alloys and metals-based composites. | |
| Market Focus | The primary focus of the Industry Body is New Zealand and has connections with steel construction organisations in the US, UK, Canada, Australia and South Africa. | Geographic Focus |
| Mode of Entry | The Industry Body has an office in Auckland. | |
| Services offered | As an industry owned and industry governed research association, the Industry Body provides metals engineering research and technology transfer expertise and market intelligence for New Zealand based heavy engineering firms. Through its specialist staff it provides a combination of research, training, advisory, industry development and promotional services making it the national centre for metals-based product design, manufacturing | |

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| | <p>technology and inspection and quality assurance.</p> <p>The principal aim of this Body is to facilitate an internationally competitive New Zealand heavy engineering industry and be the leading catalyst for innovation in the sector.</p> | |
| Perceived Barriers | <p>Although the government agencies provide adequate support to New Zealand civil construction firms, respondents from the Industry Body are of the view that government agencies often do not reach out to the firms and the sector. They state that agencies often fail to encourage firms to seek opportunities in the target markets. The Industry Development Manager states that not all firms in the sector are fully aware of the services that the Agencies 1 and 2 offer. The respondent is also of the view that firms often develop capabilities but cannot get them to offshore markets. A reason for this according to him is the lack of funding. Given that New Zealand civil construction firms have limited financial resources, they often find it difficult to raise capital to successfully market their capabilities at an international level. The respondents from the Industry Body also state that there is no particular</p> | <p>Lack of interaction between government agencies and the sector.</p> <p>Lack of representation of the sector's capabilities</p> <p>Importance of firm specific resources (financial resources)</p> <p>Absence of an overarching strategy</p> |

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| | <p>government support structure in place and the government agencies have a very fragmented approach to helping firms internationalise. This indicates that although the government has policies and services in place, it does not really take an active role in representing New Zealand civil construction firms and their capabilities on an international front. The respondents state that there is an obvious disconnect between the government and the industry. Finally, the respondents state if New Zealand civil construction firms are to succeed internationally, the firms have to be more proactive in marketing and presenting their capabilities to the right agencies that will assist them in promoting their expertise in a global market.</p> | Proactive participation from New Zealand civil construction firms |
| Role of Firms | New Zealand civil construction firms engage with the Industry Body while undertaking projects in New Zealand. | Reliance on Industry Body limited to sourcing domestic projects |