

Cross-Border Business Development

Cross-Border Business Success: Unlocking opportunities across the Dutch-German border

Researcher:

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<https://www.cbs.nl/nl-nl/achtergrond/2018/38/de-economie-in-het-nederlands-duitsse-grensgebied>

INTRODUCTION:

Research Gap:

Many SMEs in border regions remain domestically focused despite proximity to international markets and their market opportunities

Key Research Questions:

- What factors drive entrepreneurs to pursue cross-border business opportunities?
- How do entrepreneurs identify and evaluate locational advantages across borders?
- What barriers do entrepreneurs perceive when conducting cross-border business?
- How do entrepreneurs structure their decision-making process for internationalization?

Practical Relevance:

Findings provide actionable insights for companies considering cross-border expansion and policymakers supporting regional development

METHODS:

- Combination of deductive and inductive analysis
- Explorative approach with focus on both sides of the border
- 12 Semi-structured interviews with Dutch SMEs
Additional information collection with cross-border business experts

Foreign market entry mode of responding companies	Business field / industry of responding companies
▶ Greenfield investment	▶ Wholesale ▶ IT ▶ Gas
▶ Joint venture	▶ Software Consultancy ▶ Machine Producing ▶ Data visualization
▶ Export	▶ Opto-Mechatronics ▶ Battery ▶ Cladding material

RESULTS:

- **Networks and Personal Experiences:** The internationalization of SMEs in Limburg heavily relies on networks, often built through existing relationships with German partners. Personal experiences, such as language proficiency, family ties, or previous work in Germany, further drive cross-border business expansion.
- **Cultural, Legal & Administrative Barriers:** Despite fewer cultural differences in the border region, entrepreneurs face challenges in German business culture and communication. Trust-building, language skills, and a neutral approach help navigate these barriers, while bureaucratic hurdles require effort and proper guidance.
- **Internationalization Process:** The process involves strategic investments in people and partnerships, with networks playing a key role. Steps vary based on the chosen entry mode, following an effectuation approach where decisions are made flexibly based on immediate opportunities rather than a fixed roadmap.
- **Border Region Opportunities:** Proximity to Germany provides advantages like a central location, larger market access, and less competition. However, negative perceptions of border regions can hinder the attraction of highly skilled employees, despite strong Dutch-German cooperation and cultural similarities.

CONCLUSIONS AND RECOMMENDATIONS:

- The interviewees highlight Limburg's strategic location on the Dutch-German border, offering access to larger markets, efficient transportation, and cross-border collaboration. Language skills facilitate integration, reducing barriers and enhancing business opportunities. While the smaller competitive landscape helps attract talent, negative perceptions of the border region make it difficult to recruit highly skilled professionals.
- While this study focuses on Dutch SMEs in the border-region, other CBBB-studies offer additional and targeted insights, benefiting entrepreneurs and policymakers in addressing cross-border business challenges and opportunities on both sides of the border.

PARTNERS INVOLVED:

- Collaborating Dutch SME's of the Dutch-German border region



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