

Cross-Border Business Development

Cross-Border Business in the Dutch-German Borderland - Comparative Analysis of Opportunities, Challenges & Barriers

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INTRODUCTION:

- Several studies reveal significant untapped potential alongside persistent barriers to cross-border expansion.
- The euregion rhine-meuse-north is strategically located between the Dutch Randstad and the German Rhine-Ruhr area, making it a unique geographical and economic hub. Yet SMEs in this border region experience significant barriers when doing business across the border.
- Research question:

What are the key factors hindering cross-border business for Small and Medium Enterprises (SMEs) in the euregion rhine-meuse-north on both sides of the border?



<https://euregio-rmn.de/de/euregio-rhein-maas-nord/region-mitglieder/>

METHODS:

- The research builds on previous studies, including Makkonen and Leick (2019) on barriers and competitive advantages in cross-border networks, Van Houtum & Van der Velde (2004) with the concept of the Threshold of Indifference, and the Readiness Belief Model by Rafferty et al. (2013).
- Quantitative research among 27 Dutch & 40 German companies operating in the Dutch-German borderland

Characteristics participating Dutch companies	Characteristics participating German companies
▶ Moderate import/export activity	▶ Low import/export activity
▶ Very few German subsidiaries	▶ Minimal Dutch subsidiaries
▶ Limited German employees	▶ Limited Dutch employees

RESULTS:

Dutch Companies

Top Opportunities in Germany

- Market expansion/new customers
- Networks & partnerships
- Personnel recruitment
- Knowledge & innovation
- Supply chain benefits

Major Barriers to cross German border

- Different legal frameworks
- Unfamiliarity with German market
- Competition from German firms
- Different administrative approaches

German Companies

Top Opportunities in Netherlands

- Market expansion/new customers
- Networks & partnerships
- Knowledge & innovation
- Personnel recruitment
- Supply chain optimization

Major Barriers to cross Dutch border

- Different legal frameworks
- Insufficient market knowledge
- Competition with Dutch firms
- Different administrative approaches
- Language differences

- In cultural differences, companies on both sides experience a minor barrier.

KEY INSIGHTS:

▶ Shared Priorities

Both Dutch and German companies prioritize market expansion as their top cross-border opportunity, indicating strong mutual interest in accessing each other's markets.

▶ Network Focus

Both Dutch and German companies value cross-border networks and partnerships

▶ Common Barriers

Legal differences consistently rank as major obstacles for both sides, suggesting need for regulatory harmonization efforts.

▶ Information Gap

Both countries cite insufficient market knowledge as a key barrier, highlighting opportunities for better information sharing and market intelligence.

▶ Untapped Potential

Despite proximity and EU integration, cross-border activities remain low, indicating significant unrealized business potential in the region.

PARTNERS INVOLVED:



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