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Lectoraat Cross-Border Business Development

Cross-Border Business Success

Unlocking opportunities across the Dutch-German border

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The Hidden Opportunity Next Door

While European integration has opened borders on paper, most businesses still think nationally. This mindset costs companies millions in missed opportunities every year. Consider this: American businesses move across state lines nearly five times more often than European companies cross borders. That gap represents one of the largest untapped markets sitting right next to your business.¹

The challenge is not new regulations or complex trade agreements – it is what researchers call the "threshold of indifference." Simply put, unfamiliarity breeds caution, and caution keeps businesses from exploring opportunities that could transform their growth trajectory. This is particularly true for small and medium-sized enterprises, which form Europe's economic backbone but often lack the resources to navigate international complexity.^{2, 3, 4, 5, 6}

Yet some companies are breaking through these barriers with remarkable success. We studied how SMEs in Limburg have cracked the code on Dutch-German cross-border business, interviewing twelve company leaders and cross-border experts to understand what separates the winners from those who never try. What we discovered challenges conventional wisdom about international expansion and reveals a pathway that other companies can follow.



Figure 1: The Dutch-German border region at the level of Limburg
(Source: Centraal Bureau voor de Statistiek, 2018) ⁷

What Drives Success

The most successful cross-border companies started with personal connections – family ties, previous work experience, or existing collaborations with German partners. These were not formal business partnerships but organic relationships that opened doors marketing budgets could not.

Language proficiency emerged as a critical advantage. Companies with German-speaking team members found market entry significantly smoother. The border region naturally encourages this linguistic development, creating culturally bilingual talent that gives local businesses a substantial edge.

Cultural familiarity, due to proximity of the regions, proved equally valuable. Entrepreneurs with German experience understood business practices that would stump companies treating Germany as a foreign market – the importance of thorough preparation, long-term relationship building, and systematic problem-solving approaches.

Successful companies also recognized that North Rhine-Westphalia alone represents a market significantly larger than the Netherlands. German markets often operate with traditional approaches. This offers opportunities for Dutch companies to introduce innovative solutions while benefiting from stable demand. Proximity transformed from a geography matter into strategy – companies could serve German clients with almost domestic ease.

Overcoming Barriers

Despite cultural similarities, every successful company encountered distinctly German business practices. German business culture favors formal communication, thorough documentation, and systematic decision-making, while Dutch companies succeeded by adapting their direct communication style to be more diplomatic and patient.

Trust-building proved critical. German business relationships develop slowly but run deep, requiring consistent reliability over time. Companies that rushed relationship development struggled, while those investing in understanding client needs and delivering exactly what they promised built strong, lasting partnerships.

Administrative and legal barriers – German regulations, tax structures, and bureaucratic procedures – presented complexity but proved entirely manageable with proper guidance. Successful companies invested early in legal and tax advisory services, treating regulatory compliance as a necessary market entry cost rather than an obstacle.

A Flexible Approach to Growth

Rather than following predetermined internationalization roadmaps, successful companies from Limburg practiced "effectuation" – making decisions based on available resources and emerging opportunities. This flexibility manifested in diverse paths: some began with exports that evolved into partnerships, others hired German employees who opened local networks, still others formed joint ventures or made acquisitions.

Investment in people and relationships consistently took priority over traditional market development. Companies built networks organically through trade associations, industry events, and customer referrals, gradually expanding through relationship-driven growth rather than marketing campaigns.

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

Table 1: Overview of SMEs participated in the survey

The border location provided unique advantages: access to both markets while maintaining lower costs than major metropolitan areas. The long history of Dutch-German cooperation created an environment where cross-border collaboration felt natural. However, negative perceptions of border regions as peripheral areas sometimes limited talent acquisition and business partnerships.

The Opportunity Ahead

Based on the present case research cross-border business success in the Dutch-German border region depends more on leveraging local advantages and building genuine relationships than following traditional internationalization strategies. Companies succeeded by starting with existing strengths – linguistic capabilities, cultural knowledge, and/or personal networks – and building systematically from there.

So the border between Limburg and North Rhine-Westphalia represents a gateway to expanded markets and business growth that many companies have yet to discover. Early movers could establish competitive advantages. Although success requires patience, cultural sensitivity, and willingness to adapt, but the rewards – larger markets, reduced competition, and unique positioning – make the effort worthwhile for companies ready to think beyond national boundaries and to cross the border.

About This Research

This report is based on interviews with 12 business leaders and cross-border experts conducted in 2024, examining how SMEs in Limburg successfully expand into the German market. The findings provide practical insights for businesses considering cross-border expansion and policy makers interested in promoting cross-border economic activity.

Excerpt of references used

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