# Foreword

There are many reasons why firms decide to extend their business operations by entering foreign markets. Whether it is a defensive step aimed at avoiding the consequences of saturating domestic markets or an offensive strategy based on the expectations of unusual profits, the most common market entry drivers are widely discussed and understood. What remains open is the most intriguing question of the selection of a particular market entry mode and the factors determining the right choice.

On a theoretical ground the problem may be reduced to the issue of how many links of the Value Chain should be moved abroad in the process of international expansion. In practical terms the choice of a market-entry mode means a set of decisions taken in each particular case of a firm going international. The complexity of the task involves many different areas like the amount of risk, the scope of control, the level of capital involvement and financial efficiency. This is one of the reasons why there is no universal theory explaining the optimal way of making a successful market entry. The multitude of views on this subject does not make the question easier.

*Michael Klug* approaches the problem of market entry options in an innovative way. In his study – a doctoral thesis accepted by the Faculty of Economics of the Gdańsk University in March 2006 – he adopts an industry-specific perspective which seems to be a very productive way of explaining the behavior of firms doing business abroad. *Michael Klug* has taken the example of German firms operating in Poland. The focus on the two countries located across the border and facing significant economic differences appears to be a very interesting choice. The analysis covers two different areas: technology and infrastructure. While there are many German technology firms doing successful business on the Polish market, firms providing infrastructure seem to be more reluctant in moving their operations to Poland. It seems all the more surprising, having in mind high-quality motorways and superior level of construction works in Germany and confronting it with the poor condition of Polish infrastructure. The book by *Michael Klug* throws a new light on this question by showing complex circumstances involved in the process of entering new markets in the construction engineering industry. The aspects of Poland's new membership in the EU add additional value to the book.

The method of presentation of various dilemmas connected with the internationalization of business in *Michael Klug's* study is a merit in itself. Apart from a solid theoretical background on the strategic issues, the options of entering new markets are explained by an empirical example of 16 different case studies describing

16 German firms which moved their operations partly or completely to Poland. Ambitious method of face-to-face interviews with German CEO's makes the results of *Michael Klug's* research fully applicable and credible. All this makes the book extremely interesting for readers both in Germany and in Poland. I am sure that *Michael Klug's* study may be of interest to many target groups: managers, medium and small exporters as well as academics and students on the both sides of German-Polish border.

Joanna Pietrzak
Professor of Marketing
The Gdańsk University

# Acknowledgement

This doctoral thesis only became possible through the support of many individuals who contributed to this work in multiple ways.

First of all, I would like to thank my supervisor Prof. Joanna Pietrzak for taking care of me and my work. Her expert advice was always useful and helped me to get through the complex issues of international strategy and business. In addition, she gave me the necessary freedom to realise my own ideas within this work.

Next, I would like to thank Prof. Eugeniusz Gostomski who was an excellent host and helped me with all the administrative and translations issues. I would also like to thank Prof. Leszek Pawłowicz for establishing first contacts at The Gdańsk University. I am also grateful to the faculty of Economics at The Gdańsk University, which was open to my request to write a dissertation in the first place. Mr. Norbert Czypionka, former president of the German Polish chamber of commerce, arranged contacts to decision makers in some firms, whom I could not have contacted otherwise.

I also want to show gratitude to all interview participants and their firms for supporting the empirical research. Due to the nature of research I cannot name individuals here but nevertheless want to show my appreciation to these individuals, since without their opinions and openness to answer my questions honestly this work would never have been possible. They have invested a great deal of their time in this work and have contributed greatly to insightful findings.

Writing a dissertation is time-consuming and requires acceptance and support from the family as well. I would therefore like to thank my fiancée Tanja for her love and support. My parents Erika and Walter supported me in every possible way, so that I could solely focus on my dissertation. Without my fathers encouragement I might not have started the work; my mother took care of me when I moved my study room into her house.

Further thanks goes to my brother Harald for reviewing the work and for providing sound feedback on language and content which lead to interesting and productive discussions.

Michael Klug