Opportunities for the establishment of partnerships between international business management consultancy firms: the case of Portugal and Germany

Eva-Maria KINDL

up201500239@fep.up.pt

Master thesis for the Master in Management

Supervisor: Prof. Doutora Beatriz da Graça Luz Casais

July 4th 2017

I. Contents

II. List of Figures

III. Abstract

It is crucial for a company to operate in a broader scale than just within its country's borders. Partnerships offer the opportunity to enhance profitability while the service sector is gaining importance. Existing studies in international trade, partnerships and the service sector mention entry modes of internationalisation and explain the problematics about partnerships and the service sector. So far, there is no connection drawn between those topics and the literature does not inform about the availability of consultancy companies establishing border-crossing partnerships with the purpose of internationally enlarging their business.

To contribute to existing knowledge, the availability and opportunities for partnerships between consultancy firms with the purpose of trading internationally, are investigated. This thesis is limited by the focus on Germany and Portugal. Germany is one of the largest importers in the world with a dominating service sector and Portugal could use international trade as an efficient method to recover from its crisis.

Exploratory interviews with two Portuguese consultancies showed that they are available for partnerships with German consultancy companies. Furthermore, fifty-four German consultancy companies were approached with qualitative semi-structured interviews. Thirteen companies were available to give answers about their attitude towards a Portuguese partner. In the end, four companies (30.78%) showed interest in establishing a partnership with a Portuguese company.

The discovered problem is that German companies lack in knowledge about the Portuguese market and are not aware of the existence of Portugal as a profitable business partner.

To improve that, Portugal needs to establish and communicate its own reputation and position, increase its marketing activities and be more present on the German market in order to be perceived as an individual country.

German companies have to be informed about the opportunities and potential of the Portuguese market (industries, governmental programs, close relationship with former colonies, English is spoken).

Abstrato

É crucial para uma empresa operar numa escala mais ampla do que apenas dentro das fronteiras do país. Parcerias oferecem a oportunidade de aumentar a lucratividade enquanto o sector de serviços continua a ganhar importância. Estudos existentes em comércio internacional, parcerias e sector de serviços mencionam formas de entrada em internacionalização e explicam as problemáticas sobre parcerias e o sector de serviços. Até ao momento, não existe corelação estabelecida entre esses tópicos e a literatura não informa sobre a disponibilidade de empresas de consultoria que estabeleçam parcerias de fronteira com o objetivo de ampliar os seus negócios internacionalmente.

Para contribuir com o conhecimento existente, são investigadas as disponibilidades e as oportunidades de parcerias entre empresas de consultoria com o objetivo de comercializar internacionalmente. O foco desta tese é limitado à Alemanha e Portugal. A Alemanha é um dos maiores importadores do mundo com um sector de serviços dominante, podendo Portugal usar o comércio internacional como um método eficiente para se recuperar da crise.

Entrevistas exploratórias com duas empresas de consultoria portuguesas mostraram que estão disponíveis para parcerias com empresas de consultoria alemãs. Além disso, foram abordadas cinquenta e quatro empresas de consultoria alemãs com entrevistas semi-estructuradas qualitativas. Treze empresas estavam disponíveis para dar respostas sobre sua atitude em relação a um parceiro português. No final, quatro empresas alemãs (30,78%) mostraram interesse em estabelecer parcerias com empresas.

O problema descoberto é que as empresas alemãs não têm conhecimento sobre o mercado português e não estão conscientes da existência de Portugal como um parceiro comercial lucrativo.

Para melhorar isso, Portugal precisa de estabelecer e comunicar a sua própria reputação e posição, aumentar suas atividades de marketing e estar mais presente no mercado alemão para ser visto como um país individual.

As empresas alemãs devem ser informadas sobre as oportunidades e o potencial do mercado português (principais indústrias, programas governamentais, relações estreitas com antigas colônias, fácil comunicação em inglês).

Key-words: internationalisation, business-to-business service, international business consultancy firm, partnerships, opportunities, entry barriers, internationalisation barriers

JEL-Codes: (F International Economics)

1. Introduction

Through the ongoing process of globalization, the world appears more and more connected and borders are less and less perceived as a barrier for business and trade. It is common that companies trade internationally and expand abroad, to make use of all the opportunities they have (Cavusgil et al., 2011). However, this master thesis does not focus on international trade or exporting. It is about the special constellation of building up a partnership, in order to develop a border crossing business relation. In fact, it investigates the opportunities of partnerships between international business management consultancies with the objective of creating international business relationships. To limit this work and make it more specific, the research is limited to the investigation of the availability of German and Portuguese consultancies to establish a partnership with each other.

1.1 Motivation for the topic

There are two subjective main motives to write about this topic. One is that the author has its origin in a German speaking country and used to live in Portugal for about one year, which increased the author's interest towards the Portuguese culture and the Portuguese way of doing business. The second motive is that the author did an internship in a Portuguese international business management consultancy firm, being responsible for the German speaking markets. Consequently, the author gained experience in this field and got to know that management consultancy firms apply the strategy of looking for partners located abroad to cooperate with, in order to expand their international network. Like this the companies try to enlarge the range of countries they are operating in. Seeking for a suitable partner seemed to depend on determinants like the strength of an economy and previous experience gained. This is how the idea came up that Germany could be an interesting market to find a partner. Therefore, the availability of Portuguese and German management consultancy firms for partnerships with each other will be investigated in this thesis.

1.2 Relevance of the topic

Germany and Portugal really differ from each other, as Germany's economy is strong, while Portugal recently saw itself in a crisis (The Central Intelligence Agency, 2016c; The Central Intelligence Agency, 2016e). The most effective tool, Portugal uses to recover from its crisis are its exports (European Commission, 2016). Exporters were more affected by the financial crisis of 2008/09 than other firms. This explains why international trade decreased more than a country's GDPs (Chor & Manova, 2012), which leads to the forecast that exports are going to recover and are expected to increase.

Moreover, the purchasing power in Portugal is lower than in many other countries, which means that products and services produced in Portugal are more affordable to other nations. Germany for example would be an attractive market to target, as it is the world's third largest importer, currently importing only 0.59% out of its total imports from Portugal, which is an amount of 6.74 Billion $ (The Observatory of Economic Complexity, 2010).

To create a link to the service sector, which is mentioned in the research question, figure one shows the share of economic sectors in gross domestic product in 2015 in Germany. With a share of 69% of the economic sectors in GDP it is clearly visible that the service sector represents the biggest share of sectors in Germany (Statistisches Bundesamt, 2016).

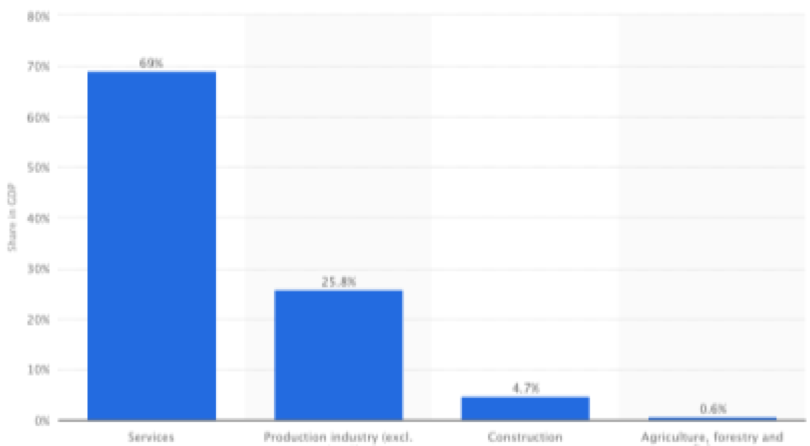

Figure 1: Germany: Share of economic sectors in GDP in 2015 (Statistisches Bundesamt, 2016)

Another motivation to build up a network with Portugal would be its economically upstreaming former colonies, namely Angola, Brazil and Mozambique. Angola is located in the south of Africa and achieved independence from Portugal in 1975. In 2002 the country ended its 27-year civil war. The main driver of Angola's economy is its oil sector, which contributes with about 50% to the country's GDP, 70% to the government revenue and about 90% of Angola's exports. The production of oil contributed strongly to the overall growth of the economy with about 17% per year between 2004 and 2008. Also the sectors of construction and agriculture were positively influenced by the reconstruction boom, which took place after the war. Angola imports about 50% of its food consumed. An important trade partner is Portugal, as Angola imports about 14% of its services and goods from its former colonist (The Central Intelligence Agency, 2016a).

In 1975, when Mozambique, which is also located in the south of Africa, became independent, it was one of the world's poorest countries. A following civil war from 1977 to 1992 and governmental policies worsened the situation of the country. However, from 1987 onwards the economic situation of the country improved due to macroeconomic reforms. As a result, the economy grew about 7% annually from 2005 to 2015, which was one of the highest growth rates in Africa. In 2016 reduced commodity prices pushed exports down. Nevertheless, Mozambique offers an attractive environment for huge investment projects in natural recourses, like gas, coal, titanium and hydroelectric. Mozambique sources about 4% of its imports from Portugal (The Central Intelligence Agency, 2016d).

After more than 300 years of being colonized, Brazil got independent from Portugal in 1822. Brazil became one of the most important emerging markets globally and a major contributor to global growth, after coping with some financial struggles in the end of the 20^{th} century.

In Brazil the agricultural, mining, manufacturing and service sector are very important. Also their middle class and importance on the global market keeps increasing. From 2003 to 2014 Brazil's macroeconomic stability has been improved with the tools of building up foreign reserves and shifting debt. Especially in 2007 and 2008 the economy grew substantially. In 2008 Brazil got into recession because of the financial crisis, but in 2010 the country could reach a growth in its GDP of 7.5%, which was the highest for the last 25 years. Because of overdependence on exports of raw commodities, low productivity, high operational costs and inflation, the GDP's growth decreased since 2011. Currently Brazil tries to strengthen its

economy again with governmental measurements. Brazil draws about 6% of its imports from Germany (The Central Intelligence Agency, 2016b).
To sum up, Germany is a large importer with a strong economy and a huge service sector (The Central Intelligence Agency, 2016c; Statistisches Bundesamt, 2016), while Portugal offers possibilities to establish networks with its flourishing former colonies (The Central Intelligence Agency, 2016a; The Central Intelligence Agency, 2016b; The Central Intelligence Agency, 2016d; The Central Intelligence Agency, 2016e) and can use transnational partnerships, which are a method to develop crucial business relationships and enable companies to trade on an international scale, as an effective tool to recover from its crisis (European Commission, 2016; The Observatory of Economic Complexity, 2010).

1.3 Research question and objectives of the thesis

In the research question the idea to investigate the use of partnerships to build networks between consultancies, with the overall objective of creating international trade relations gets combined with the personal and professional background of the author. Additionally, the facts about the situation of Germany and Portugal, which are described above, let assume that the companies would be interested into the establishment of business relationships with each other. This leads to the research question, which is to reveal whether there are opportunities for partnerships between Portuguese and German international business management consulting companies. Therefore, the willingness and availability of Portuguese and German consulting companies operating in international business to cooperate with each other was investigated. Within this thesis the focus is on the issue, whether German companies are willing to establish this kind of partnership, which means whether Portuguese companies have an opportunity to find a German partner. The reason therefore is that Germany is the stronger economy, which allocates the country a higher level of risk concerning opportunity costs, reputation and power.
What makes this thesis a valuable contribution is, that the focus is not on the issue of exporting or international trade. Instead it is the way how in this case, trade relations are established, in more details, to develop a country crossing partnership in international

business consulting, with the target of expanding the business and enlarging the network and international opportunities.

1.4 Methodological approach and structure of the thesis

This thesis provides a theoretical framework, which consists of a literature review to give more information about the topics tackled in the research question. The main topics of the literature review are the internationalisation of companies, services in international business and consultancy services in international business with a focus on the two countries under investigation. The following chapter is about the methodical approach. In that chapter the problem is defined, the methodology which is to conduct qualitative semi-structured interviews is explained, the process of data collection is described, the consistence of the sample is described, information about the interviews is given, and the phases and steps of the study are explained. To find out about the availability of Portuguese and German companies concerning partnerships with each other, interviews were conducted for two purposes. The first purpose was to interview Portuguese consultancies in order to find out about their availability for establishing trade relationships with Germany. The second purpose which covers the main part of this thesis, was to interview German consultancies in order to find out about the opportunities of Portuguese consultancies to build up a partnership with a German consultancy. Next there is a chapter about the presentation and discussion of the results of the investigation. The following chapter concludes the work and the references are listed. In the very end there are appendices, which contain the interview guideline of the interviews carried out. The propositions, which have the purpose of connecting the literature with the research conducted are implemented in the text. This makes it possible for the reader to get a direct link to the empirical part of the thesis during reading the literature-based part. The propositions additionally have the purpose to give ideas about the result of the interviews and will be discussed after the results of the interviews are described.

2. Theoretical framework

In the following section a literature review will be presented. First the topic of internationalisation is in the focus. Within this topic, the subtopics of internationalisation theories, cultural theories, entry modes for internationalisation, characteristics of companies which want to internationalise, reasons for internationalisation, the stage of development of a company which internationalises, the facilitation of internationalisation, factors to success in internationalisation and barriers in internationalisation will be explained. Following a literature review about services will be given. The subtopics here are business-to-business services and business-to-business partnerships. Next, there is a chapter about consulting services in international business with the focus on the countries under review.

2.1 Internationalisation of companies

Literature wise, the main issue in this thesis is the term of internationalisation. Hence, the following part includes information about internationalisation theories, cultural theories, entry modes, companies which want to internationalise, reasons for internationalisation, stage of development to internationalise, facilitation of internationalisation, factors to success in internationalising, and barriers in internationalisation.

To define internationalisation, the term can be seen as a strategy. Developing a strategy is a continuous process which puts together the identification and development of opportunities, which were discovered and created by middle managers and aim to improve the business of their employers, which are committed in changing and developing relationships and networks. Strategy making is a long term process of interaction, guided by mutual trust and commitment. In order to be successful the strategy has to be relevant to all the involved parties. It can also be seen as a try to create a more favourable future (Figueira de Lemos & Johanson, 2013). In 1990, Beamish defined internationalisation by an action which increases the companies' awareness of the influence of international activities on further transactions, and to begin and continue trading with other nations (Beamish, 1990).

In the following section, internationalisation theories, called OLI paradigm or eclectic paradigm and the Uppsala model, are explained. The purpose of internationalisation theories is to explain why, how and when units internationalise their activities. Those explanations here are necessary to understand how companies usually decide whether and how they want to internationalise. In the case of this thesis, the opportunities of the establishment of a partnership between a Portuguese and a German management consultancy firm to cooperate and basically enlarge networks are investigated. The target would be to create mutual benefits, like increasing knowledge and the level of service for customers. This method of finding a foreign partner, has a more diversified purpose and is very specific. Therefore, it differs from the usual approach of internationalisation.

2.1.1 OLI paradigm or eclectic paradigm

In 1980 John Harry Dunning published his idea of an internationalisation theory, called eclectic paradigm, or OLI paradigm. The idea of this theory relies on the transaction cost theory, which suggests that companies should carry out their transactions within their organisation, if the costs to carry out the same action would be higher on the free market. To enlarge the ideas of the transaction cost theory, three more aspects were added to establish the OLI paradigm. Namely, ownership advantages, location advantages and internalisation advantages. Ownership advantages are competitive advantages, which state that the company has an advantage when keeping control over their knowledge, e.g. their manufacturing process. Locational advantages explain the existence of advantages only available in a certain location, like access to raw materials, lower wages, special taxes or tariffs. Internalisation advantages explain that the company has an advantage when keeping its processes internally instead of outsourcing it, e.g. licencing and sell precious knowledge. Indeed, this theory's purpose is to add value by combining several theories and helps to decide whether an internationalisation brings advantages and which entry mode to choose. Possible entry modes are export, licencing and foreign direct investments (Dunning, 1980).

2.1.2 Uppsala model

The Uppsala model clearly differs from the model explained previously, as it explains how a company internationalises. It suggests that companies internationalise their activities gradually. They slowly increase their market commitment and their geographic diversification. During that process the strategy is adapted with the gathered knowledge in previous experience. For example, companies can start to export to geographically close countries and end up setting up a branch in another continent (Johanson & Vahlne, 1990). However, nowadays the more usual strategy to expand business into foreign countries differs from the gradual model (Moen & Servais, 2002).

As the Uppsala model suggests a gradual internationalisation, the first proposition, focussing on the availability of Germany to work with a Portuguese partner is established. It can be extracted from the literature that when a German consultancy already works with a partner geographically close to Portugal, the probability to establish a partnership increases.

Therefore, the first proposition is:

German management consultancy firms, which already work with countries close to Portugal, are more likely to establish a partnership with a Portuguese partner.

Generally spoken, concerning the internationalisation modes, it can be generally criticized that they mostly uniquely explain the process itself without considering risks. This means that they present the situation from a viewpoint where the location and entry-mode decision depends on different factors and characteristics occurring in international markets (Kraus, et al., 2015). Also the current stage and pace of development in technology and digitalization allow to question the significance of the initial modes of internationalisation (Grönroos, 2016).

2.1.3 Cultural theories

This thesis involves companies not only with different corporate cultures, but even located in different cultural environments. This is why major cultural theories, like the theory of Hofstede and the GLOBE research program are mentioned.

Hofstede

In 1980, Geert Hofstede published his framework of cultural dimensions, which explains cultural differences. The results were derived from a study Hofstede conducted globally between 1967 and 1973 in IBM. In the beginning, the study suggested four cultural dimensions, which were individualism/collectivism, uncertainty avoidance, power distance, and masculinity/femininity. Later a fifth dimension, which is called long-term orientation was added. In 2010, the cultural dimension of indulgence/ self-restraint was added.

In figure two, a comparison of the cultural dimensions of Germany and Portugal can be found. The issue where the two countries differ the most from each other is in their long time orientation. Germany has a very high level in long time orientation, while Portugal's is very low. This suggests that Germany is more open to change and is able to adapt to the future. Situations are interpreted differently depending on their context and time. The countries show the second biggest difference in individualism. Germany has a very individualistic culture, which means that Germans rather care about theirselves and their closest family members. This also makes communication very direct, as the interpersonal relationship is not as important as it seems to be in Portugal. Also the indicator of measuring masculinity is higher in Germany. Hence, performance is very crucial and creates high self-esteem. According to Hofstede (1980; 2017), leaders in Germany are more resolute and insistent than in Portugal (Hofstede, 1980; Hofstede, 2017).

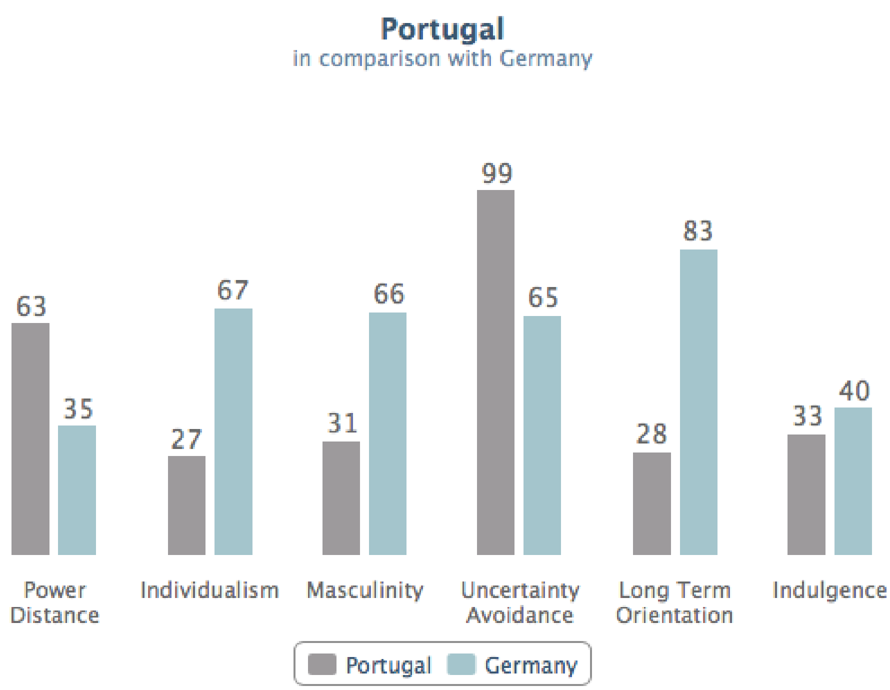

Figure 2: Portugal in comparison with Germany (Hofstede, 2017)

The high level of performance orientation, individualism and direct communication in Germany leads to the assumption that for German companies an advantage of improving their performance to cooperate with the Portuguese consultancy firm hast to be immediately visible. If this is not the case, German companies could refuse cooperation and therefore the German culture could hinder opportunities, as it will be difficult to find people who answer the questionnaire, as there is no immediate advantage for them doing so. Furthermore, German companies might directly communicate if they are not interested in a collaboration, without telling a reason, as they do not have any use of sharing their thoughts and give answers to support this investigation, which prevents to find out the why they are not interested into a Portuguese partner.

The GLOBE research program

To give a contrast to the theory of Hofstede, the Globe research program from House is discussed. The target of this research program is to investigate the relation between societal culture, societal effectiveness and organizational leadership. The term societal culture describes shared identities, motives, interpretations values and beliefs, which have their origin in similar experiences. Social culture can be lived by members of a group and gets forwarded to following generations. Culturally spoken, people can be classified as performance-orientated, assertive, future-oriented, humane-orientated, institutionally collective, in-group collective, gender egalitarian, power distanced and uncertainty avoiding. Concerning leadership, people from different cultural backgrounds have different expectations towards their leaders.

The categories of leaders are: charismatic/value-based, team-oriented leadership, participative leadership, humane-oriented leadership, autonomous leadership and self-protective leadership. Portuguese expectations of a leader differ by far the most of the Germans in terms of autonomy. The level of autonomy expected from a manager in Germany is a lot higher than in Portugal. This means that leaders in Germany act more independent and individualistic. Furthermore, they also differ in team-orientation and humane-orientation. Portuguese managers are more team-oriented than Germans, while Germans are more humane-oriented. Rather humane-oriented leaders pay more attention on compassion and generosity (House, 2004).

Cultural theories try to classify cultures to attribute traits to them. Understanding to what is paid attention by a certain culture can help to better understand the other party. The more information there is about a potential future partner, the better this partner might be able to be approached.

2.1.4 Entry modes for internationalisation

To enter a market there are several entry modes. The most common ones are exporting, licensing, joint ventures, and sole ventures. As already mentioned previously the decision of which entry mode to choose depends on the ownership advantage, location advantage and internalisation advantage (Agarwal & Ramaswami, 1991). For the case examined in this thesis, the market is entered by building up a partnership with a foreign partner.

2.1.5 Characteristics of companies which want to internationalise

To begin with, the companies, which want to internationalise are categorized. For example, characteristics like firm size, competitive advantage, technology and the number of languages spoken, can be the key factors associated with the tendency to export. Concerning those indicators, it can be said that larger-sized SMEs, firms with greater technological orientation, firms with product quality-related competitive advantages, and firms employing managers with a greater knowledge of foreign languages, are more likeable to export. On the other hand, firms employing younger managers, managers with a higher level of education, managers acknowledging greater risks associated with exporting, managers who perceive that exporting attracts higher costs than for domestic sales, have not a high propensity to export (Serra et al., 2012). Characteristics in favour of the decision to internationalise are a knowledge based nature of service, gained international experience, existing networks of formal and informal relationships, the desire to minimize risk or enhance control and the requirements or followership of clients (Coviello & Martin, 1999). Moreover, employing employees who already worked internationally makes it more likely that the company exports its services (Moreira et al., 2010).

The mentioned factors influence the probability and the choice of the marked and the entry mode. Understanding which companies rather tend to internationalise helps to understand which kind of companies in Germany are more likely to accept to cooperate with a Portuguese company.

The degree of diversity and internationalism, like the number of employees, the amount of languages spoken, international experience and international connections seems to influence the ability and likability of a company to export and to have international partnerships to follow this purpose. Referring to that, the literature suggests the second proposition.

The degree of diversity and internationalism influence the opportunities of a Portuguese company to establish a partnership with a German company.

2.1.6 Reasons for internationalisation

Secondly, it has to be explained why companies want to internationalise their business, as there are various reasons. Some will be explained in the following section.

Our world is changing, what happened is the globalisation of markets, companies and activities, and the diffusion of information and communication technologies (Piscitello & Sgobbi, 2003). Important changes that have to be considered are: new markets in telecommunications, like the internet; and the speed, quality, and efficiency of international communications and transportation (Porter, 1990). To sum it up, exporting activities enlarge production efficiency, optimize operating capacity, increase technological standards, quality standards, and service standards in the organization, improve a company's competitiveness, increase shareholders' and employees' rewards, enlarge the amount of funds for reinvestment and growth, and defuse business risks because of operating in several markets (Onkvisit & Shaw, 1997; Sarathy & Terpstra, 1997; Czinkota & Ronkainen, 1998). If the domestic demand is low or the market or industry are too specific, doing business with foreign countries offers new opportunities to reach more customers and is a driver for the growth of the company (Amal et al., 2013). According to Santos and Garcia (2011) there are two different types of companies: promoters, and preventers. Promoters show internal motivation to internationalise and inform themselves about and see the opportunities offered through programmes, supporting internationalisation. Preventers feel forced by their environment to internationalise and do not show a lot of interest in those actions. They prefer to gain experience directly on the market. Whether a company is a promoter or a preventer is determined by their past experience concerning international expansion. (Santos & García, 2011). International markets are assumed to be riskier and more expensive, but more profitable to do business in. A pushing reason to internationalise might be competitive pressure (Moreira et al., 2010). Furthermore, exporters are able to record more use of knowledge-intense business services and are more innovative than non- exporters. Also the degree of use of knowledge-intense business services rises when the amount of export rises (Doloreux et al., 2015).

Relating to this thesis, the overall purpose to build up a strong international network is to be able to advice companies in their process of internationalisation. The next proposition suggests why companies want to work internationally and why there are opportunities for Portuguese companies to work with a German partner.

Proposition three states:

German companies engage in a partnership with a Portuguese partner, because they want to enlarge their opportunities on the international market and improve their overall performance.

2.1.7 Stage of development to internationalise

Very important to internationalising firms are also previous experience on foreign markets, production plants abroad, cultural proximity, expected profitability of the market, the access to natural resources and labour force, logistics strategy, experiences with institutional factors like the local laws concerning trade and economic freedom. Also local business practices seem important to them, but not crucial. Companies tend to internationalise their activities gradually. If the company knows a lot about the market, the company is willing to risk more resources (Amal et al., 2013).

However, international new ventures internationalise in an early stage, which makes them to get to know particular opportunities, resulting from their network, knowledge and background, others are not able to see (Phillips McDougall et al., 1994). Companies with a lot of experience tend to enter less similar markets, in terms of culture, politics, geography and economics, while companies with a lack of experience chose more similar ones. Companies providing services tend to need high control in terms of ownership in their early and late stage of development (Erramilli, 1991).

2.1.8 Facilitation of internationalisation

Additionally, gathering know how about how to do business overseas became easy. This happened thanks to universities, business schools, and management training centres. Another reason is, that on the job market exist more and more managers who already gathered experience in doing business internationally (Nordström, 1991). Something which facilitates the firm’s internationalisation process is a network of exchange relationships (Johanson & Mattson, 1988). Furthermore, digitalization and the advance in technology, like the development of internet and mobile technologies has established new possibilities, as nowadays it is possible for a company to offer its services on a global scale from its set up onwards (Grönroos, 2016).

2.1.9 Factors to success in internationalising

Whether an expanding company will succeed or not, can also depend on its origin, as companies located in more mature markets have an advantage in comparison to companies operating in less developed markets. Also the education of the labour force and the access to capital plays an important role. This is why the probability of succeeding in exporting is higher when the company is settled in a more developed economy (Amal et al., 2013). To conduct the process of internationalisation of a latecomer as successful as possible, it should be invested into research, development and networking (Yu et al., 2007). Another issue is that products from more industrialized economies are perceived as being better concerning quality and technology, which makes the consumer willing to pay a premium (Thanasuta, 2009). Internationalisation knowledge is crucial to obtain when enlarging the business to new markets. Well working relationships in networks are very important for the optimized exploitation of internationalisation knowledge. Information about the market and technology can be gained like this. It is suggested that government bodies and consultants specialising on this issue are in charge of the establishment and the maintenance of those relationships and networks, since the exporting company might not have time for this kind of tasks. Another possibility for companies would be to gather information from other companies, in case it is applicable to the market the company is operating in. It should be put a mayor emphasis on the topic of internationalisation knowledge. Pushing this in the background, as if it was not a crucial issue, can bring some harm, because it is very important that firms are aware of their own knowledge and to establish their own culture, which supports this process (Fletcher & Harris , 2012). Internationalisation facilitating determinants are different between service and manufacturing companies. Companies which employees are open regarding internationalisation, gained international experience already, or even have international networks, will be supported by their employees to internationalise. If this is not the case the company is advised to recruit a consultancy firm in order to success and to improve its way how to manage staff and handle its network (Deprey et al., 2012).

In the range of this thesis, one of the targets of establishing a partnership should be to gather information about the market and the technology.

2.1.10 Barriers in internationalisation

After Leonidou, export barriers are defined as various issues of different origins that undermine the ability of the firm to export (Leonidou, 1995). They are all constraints, which hinder the ability of firms to establish, develop and do business operations on an international scale. Figure three shows the internal and external export barriers from the viewpoint of the exporting company. Internal barriers can be informational, functional and marketing related. External barriers can be procedural, governmental, task, or environmental related (Leonidou, 2004).

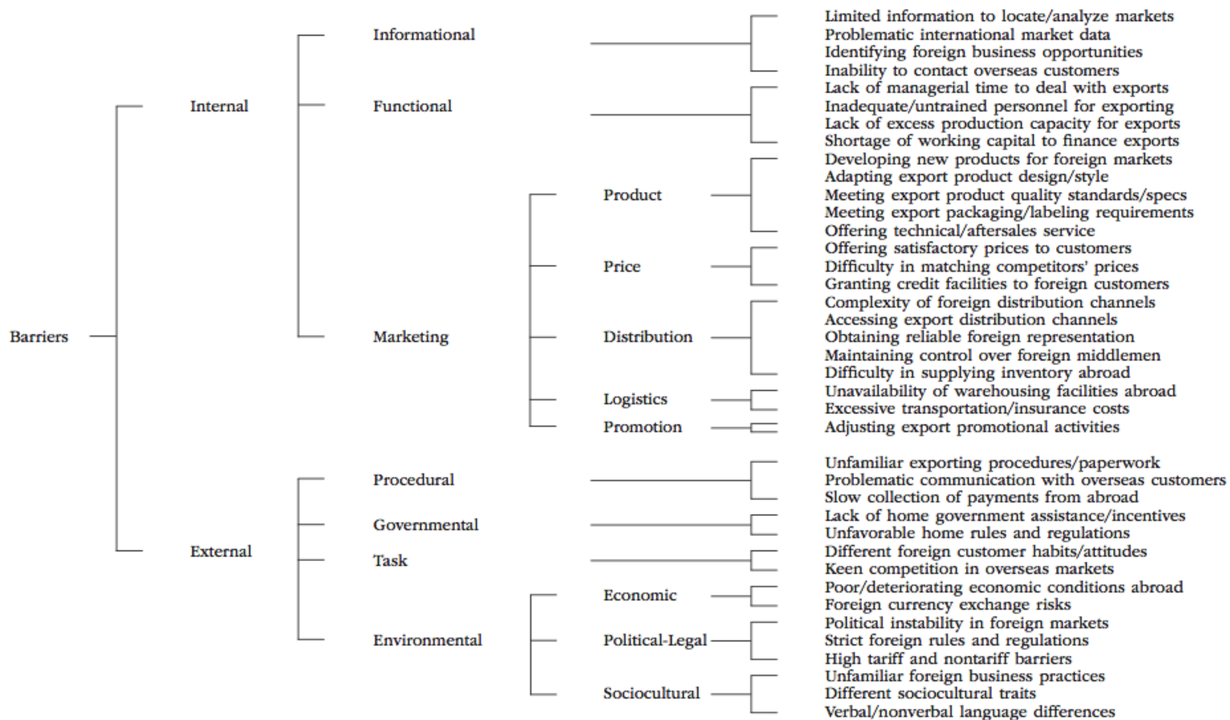

Figure 3: Classification of Export Barriers (Leonidou, 2004)

In order to succeed, companies should be aware of export barriers. An attempt to proof that the assets of a company are linked to resource-sensitive barriers, like corporate resource constraints, failed. Also firm size, in terms of number of employees, had only a small effect on export barriers. When a firm follows the strategy of market concentration, they become subject to issues like inadequate export staff, cash-flow difficulties, and not enough internationally minded managers. All those issues can threaten their success on a foreign market (Leonidou, 2000). The OECD member states consider the lack of knowledge and the shortage of internal resources, in terms of financial and human resources, as main barriers for SMEs when expanding internationally. External barriers, like restrictions from governments of host countries, do not have a lot of importance. It has to be mentioned that companies from developing countries are not represented in a significant way in that investigations (Pietrasieński & Ślusarczyk, 2015).

It is difficult to enter new markets and to start doing business with new distributors, if the other economy is more advanced than the own and the actors have a long lasting and stable relationship already (Kinch, 1992). Unfortunately research mostly had an isolated look at the reason whether exporting succeeded. Either export motivation, export problems, firm size, performance, and management's personal characteristics has been found as a determinant, while the possible coexistence and mutual support of those traits was not investigated (Leonidou, 1998).

The barrier of psychic distance can be overcome with network relationships and/or recruiting employees in psychically distant markets, while geographic distance can be overcome in shifts in attitude commitment and behaviour (Coviello & Martin, 1999).

Another barrier for companies willing to export is the consideration of risks. It is important to be conscious that risks depend on the host country, in terms of the psychic distance and also the country's inequality in market development influence internationalisation and location decisions. Also the choice of the entry mode bears different levels of risks, as more equity-intensive entry modes are considered to be riskier. For example, it was investigated that greater cultural and geographic distance between the home country and the target country and lower economic and political development in the target country than in the home country is associated with greater perceived risk in internationalisation decisions. Additionally, the avoidance of internationalisation is considered as being a risky strategy (Kraus et al., 2015). To decrease the uncertainty when exploring new markets, external consultants can be hired. Employing those also increases the spending for research and development (Back et al., 2014).

The main threats an internationalising company could face are the protectionism of local technicians and business, the costs of the investment to get the internationalisation started and the fact that other markets are unknown (Moreira et al., 2010).

Most of the types of risk mentioned are reduced by the fact that the companies which are supposed to build up the partnership conduct business in the same area. As the companies under investigation in this thesis are consultancies, the situation seems to be more controllable. The main barrier to be considered might be the lower level of development of Portugal, which is according to the literature a disadvantage for the Portuguese companies in this relationship. There is the possibility to turn this into an advantage when assuming that the purchasing power of Germans is higher on the Portuguese market.

To pay less attention on those barriers, the companies ideally realise that more partnerships increase expertise and that a larger international network brings advantages. At the same time, it has to be kept in mind, that German companies have a stronger position due to the situation of their economy. Building up a partnership means something new to both parties. Basically, internal export barriers of the companies should not exist, as one of the companies' purposes is to internationalise. External export barriers which the Portuguese companies might face from the behalf of the German companies might appear later in the process, and be therefore not visible in the result of the interview, as those barriers might be coming from official bodies or the market.

The difficulties seem to depend on the companies' characteristics. As both companies are located in the European Union and underlie its rules, there will not be any issues concerning policies and currencies.

2.2 Services in international business

Generally, services can be intangible, perishable, customized, simultaneously produced and consumed, can involve consumer participation in production and can be used without ownership. To be classified as a service something has to be either intangible, dependent on a customer's participation or dependent on a customer's input during its production (Boddewyn et al., 1986).

The main differences of services in comparison to goods are their intangibility, inseparability, heterogeneity and perishability. Those features explain why it is different to work with services (Zeithaml et al., 1985). Problems resulting from the intangibility of services are that they cannot be stored (Bateson, 1977; Berry, 1980; Langeard et al., 1981; Sasser, 1976) cannot be protected with patents (Judd, 1968), cannot be properly displayed or communicated (Rathmell, 1974) and prices are difficult to set (Dearden, 1978; Lovelock, 1981; Thomas, 1978). The inseparability causes that the consumer is involved in the process of production (Booms & Nyquist, 1981) and the mass production of services is difficult (Sasser et al., 1978; Upah, 1980). Furthermore, the heterogeneity implies that the standardization and the control of quality are difficult to conduct (Berry, 1980; Booms & Bitner, 1981). The perishability states that services are impossible to inventory (Bateson, 1977; Sasser, 1976).

To better explain the nature of services, they can be classified in services involving tangible and intangible actions. Examples of services involving tangible actions are: health care, freight transportation, passenger transportation, industrial equipment repair and maintenance, beauty salons, janitorial services, exercise clinics, laundry and dry cleaning, restaurants, landscaping, lawn care, haircutting and veterinary care. Some examples of intangible services are: education, banking, broadcasting, legal services, information services, accounting, theatres, securities, museums and insurance. Services can transform from being intangible to tangible and reverse. For example, an intangible financial transaction becomes tangible when converted into real cash (Lovelock, 1983).

This thesis focuses on, foreign-tradeable services, which are defined as not tied to their production process and transportable across national borders. On the contrary, a location bound service makes its producer and customer subject to time and place constraints, e.g. a hotel room. Combination services are only partly location bound (Boddewyn et al., 1986).

To complement the rather older literature which provides fundamental knowledge about the service industry, and to build a connection between services and marketing, more recent literature is added. Companies use relationship marketing to attract, maintain and build customer relationships in service firms. The customer gets at least one incentive, like extra service (service augmentation), relationship customization or a price break (relationship pricing), in order not to start doing business with another company (Berry, 2002).

Concepts like brand as a person (brand personality) and brand as a symbol highlight the intangibility of services. The concept brand as a person equips a brand with human qualities and it behaves like person, while the concept brand as a symbol stresses the intangibility of services and suggests the use of symbolic aspects in the process of branding services (Moorthi, 2002).

From the literature mentioned above it can be extracted that services consist of actions created from individuals, to target individuals, involving a lot of intangible things like assumption, mind-sets and values, which means that they are perceived subjectively. Due to this subjectivity misunderstandings and misinterpretations might arise more easily. More recent articles consider the issue of how to convince to buy services and how to brand services.

To conclude, it is difficult to sell services and even more difficult to sell services on an international scale, since even the process of understanding the service as it is, might be more complex and time-consuming compared to a good.

2.2.1 Business-to-business services

Business-to-business services are services between entities, not involving private individuals (Investopedia, 2017). Compared to business to costumer markets, on business-to-business markets exist less but larger buyers, the demand is rather indirect and more fluctuating but gets at the same time less affected by changes in price. Furthermore, in business-to-business transaction the process of purchasing and buying decisions are more complex. At the same time the buying process is more formalised and the focus is rather on long-term relationships (Claessens, 2015).

As in this thesis internationalisation is one of the main topics, a study from Ojasalo, which separated the barriers to internationalisation of business-to-business into two categories is mentioned. Namely, it separates general entry barriers from specific barriers to business-to-business services. Figure four gives an overview over the result of the investigation (Ojasalo, 2010).

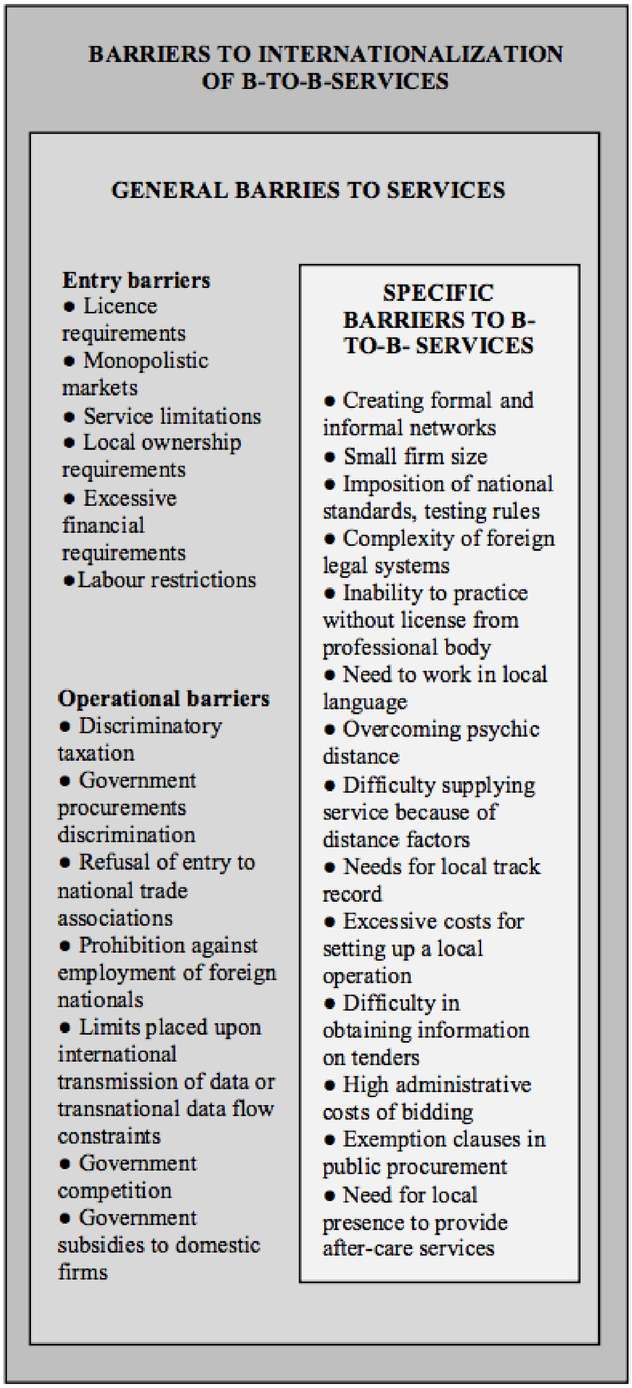

Figure 4: Barriers to Internationalisation of B-to-B- Services (Ojasalo, 2010)

2.2.2 Business-to-business partnerships

Partnerships in business are often called strategic alliances, which are defined as a long-term relationship with the aspiration to jointly improve processes (Whipple & Frankel, 2000). To establish a successful strategic alliance, it has to be kept in mind that in an alliance people are working together, who should get along well and know each other well, because then the parties will communicate clearly with each other and are aware to establish mutual expectations and a mutual time frame. Also cultural differences should be considered, as interests and the independence of the partner should be respected. Another important point is that mutual trust has to be built in order to achieve mutual benefits. Still it is crucial to have a clear contract. Strategic alliances are time consuming to establish, to keep up and can also force the involved parties to make some sacrifices. Established correctly they will bring a lot of advantages and achievements can even be celebrated together. Through jointly organised marketing for example a very huge market can be covered. As the environment is changing, circumstances might change too during the partnership (Ohmae, 1989). Social networks support international trade by reducing issues concerning contract enforcement and offering information about business opportunities (Rauch, 2001).

Several companies use alliances on a national and international scale, as it is their strategy to decrease costs, access new technologies, improve responsiveness to customers, enter new markets and be more flexible. Companies tend to outsource activities to better focus on their core competences. The main issues concerning partnerships are to find the right partner, to maintain the relationship, to assess the performance and to improve processes. Factors why partnerships turned out to be successful are the timing of the relationship, mutual benefits of the partnership, the size and the position of the companies, proximity, similarity of cultures, and high growth of the industry. In partnerships it is crucial that both partners have a clear and strategic fit and share an agenda. Core competences should be known and complement each other. Sharing information and involvement should be increased incrementally while getting to know the business of the other party. Plans and visions should be created together, roles should be defined and it should be found out to which extent the partner is willing to contribute with resources to the partnership. Personal contact is important too. It should be aware that the management of partnerships evolves continuously. To have a successful partnership there must be trust, reciprocity, mutual benefits and targets, a level of interdependence and a shared vision (Buono, 1997).

Challenging market conditions and risky firm strategies, which are related with innovation makes alliance formation more probable. A lot of alliances were built by companies with numerous, experienced and well-connected managers. Those managers have the necessary resources, like skills, time, connections and status to build partnerships (Eisenhardt et al., 1996).

A model to analyse the establishment of international business-to-business relationships in the service sector is the Key Mediating Variable (KMV) model. It considers seven factors, which can be seen in the graph below. It is suggested that in personal partnerships interpersonal factors like respect and trust, are more important than exchanges of money and goods. As language barriers and cultural differences may appear and could hinder relationships, this topic is again more complex in international business relationships. The Commitment – Trust theory and the KMV model, which is shown in figure five, contributes crucially in the area of relationships in international business (Morgan & Hunt, 1994).

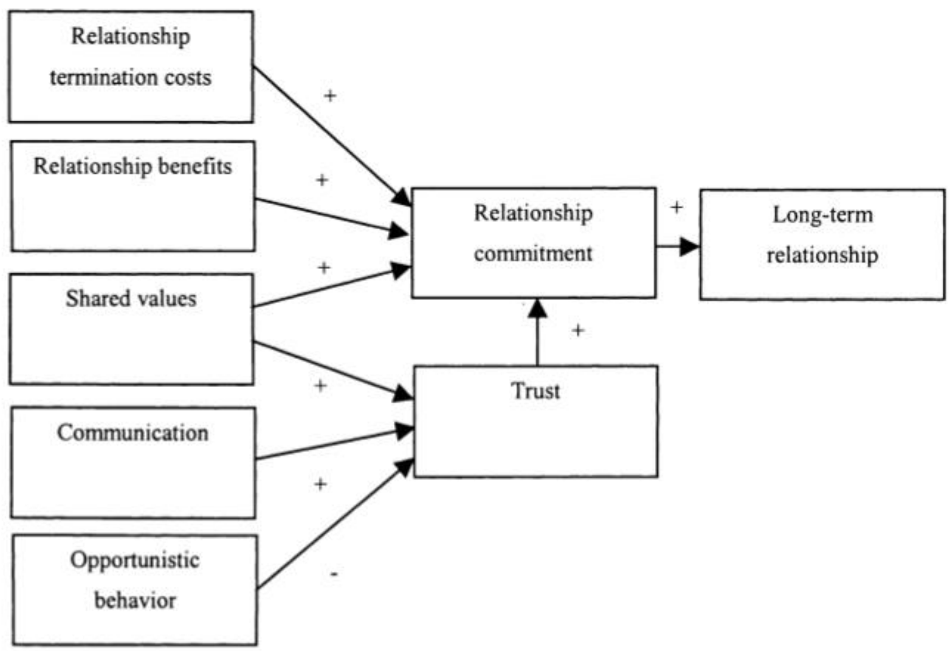

Figure 5: The KMV model of relationship marketing (Morgan & Hunt, 1994)

Nevertheless, the KMV model seems to exclude important factors, like fairness in exchange. If there is no enhancement of benefits for one party, the relationship might be seen as ineffective and trust and/or commitment will be lower. Commitment, which indicates the importance of a relationship and the willingness to continue this relationship in order to profit from future value or benefits, will decrease if the importance decreases. All the factors (commitment, trust, relation termination cost and benefits, shared values, communication and lack of opportunistic behaviour) mentioned in this theory work at the time when a business-to-business relationship in the service sector is established. Furthermore, other factors, like fairness, perceived relationship effectiveness or initial beliefs regarding the likelihood that the exchanging partner will reciprocate acts of trust and commitment might be important in business relationships. In general, this model seems applicable, as it was used successfully in several analyses. Even if participants were not satisfied with the communication, the solution was to accept this to keep the relationship going. The dependence on partners increases, when individual costs increase. Sharing the same values and receiving benefits, seem the prerequisites for a long-term relationship (Friman et al., 2002).

2.3 Consultancy in international business

In the following section information about the consulting sector will be given. Furthermore, the situation of the consulting sector in the countries under review, namely Portugal and Germany will be explained.

Management consulting has evolved from accounting, engineering, and manufacturing consulting to combine advice giving with strategic business issues (Biswas & Twitchell, 2002) and by its definition, a consulting firm's purpose is to advise companies how to manage and operate their business in the best way. Subject of those advices can be for example their business strategy, operational techniques, and time management (WebFinance Inc., 2016).

The increase of consultancy use appeared since technology and markets became more complex. With the resource based view, which stresses the importance of own resources, the demand for consultants rose to internally improve the expertise with external resources and to reduce risk (Amorim & Kipping, 1999).

The traditional partnership model of career management changed to a more competitive business model for publicly held firms and entities which provide infrastructure. A lot of consultancies reached their market saturation around 2005, which changed the industry form a profession to a business. Recently sectors like advertising and legal services were subject to this change. Other changes in the industry were the acquisition of PricewaterhouseCoopers by IBM Consulting in October 2002, or the initial public offering of Accenture in July 2001 (Adams & Zanzi, 2005).

Mainly customers of consultants are looking for cost-effectiveness and high quality. Therefore, the use of the best available management tools is essential to be successful and satisfy the needs of the involved parties (Bettencourt et al., 2002; Davenport et al., 2002; Drucker, 1999).

Consultants can be classified in three types. “Dynamos”, which have career aspirations, “cruisers”, which perform well but do not have career aspirations, and “losers”, which do not advance in their field (Maister, 2002).

Following the main issues in the relationship between consultants and its clients will be explained. Since consulting services are knowledge intense, the flow and procession of knowledge is one of their main activities (Sarvary, 1999; Skjølsvik et al., 2007). The problem can be the stickiness of information, defined as information which is expensive to obtain, to forward and to apply at another place (Von Hippel, 1994). The presence of stickiness of information can lead to the occurrence of costs and difficulties and influences the choice whether the client or the consultant should conduct certain tasks (Szulanski, 2000; Von Hippel, 1998; Von Hippel, 1994).

Another issue in consulting services is its uniqueness. It is important that a consultant provides a very accurate, adequate and customized solution for each of its clients. Therefore, it is essential that a customer actively contributes during the process (Bettencourt et al., 2002). Investigations of the consultant service sector have shown that consultants spend only about 10% of their costs in the phase of research, while 90% is spent on the implementation of the project (Xue & Field, 2008), which shows that a lot of resources are put into the phase involving interaction with the customer. The contribution of the customer can result in inefficiencies, because of the lack of standardization in the life of the project (Chase, 1981; Chase & Tansik, 1983; Kellogg & Chase, 1995; Mersha, 1990), but conducted in the right way it can contribute to enhance productivity (Lovelock & Young, 1979).

A further issue is that, expectations and the range of the consulting service should be clear and commonly known within this alliance. Concerning this the uniqueness of the service shows its complexity, as this uniqueness makes it necessary that agreements in-between those

parties stay flexible in order to be adapted during the period of the contract (Jacobson et al., 2005). This necessary flexibility leads to incompleteness and vague expressions in contracts, (Grossman & Hart, 1986) which again leads to information stickiness (Xue & Field, 2008). Another source of inefficiencies in-between parties can be that each party is prioritizing its own advantages rather than thinking about what would be maximizing the general outcome of the collaboration (Xue & Field, 2008).
Furthermore, important to mention in the relation with this thesis is that if a consulting firm specializes on international business, it also respects the differences and particularities, when doing business crossing borders since international business is defined as the transfer of goods and services between individuals and companies in various countries (WebFinance Inc., 2017).
There should be more research about the unique situation of services in international business. The situation is not facilitated by the fact that the overall situation depends from country to country (Moreira et al., 2010). Also consulting in general is an important, but only little-researched service industry (David & Strang, 2006).

2.3.1 Consultancy in international business in Portugal

In the 15th and 16th century Portugal was a global maritime power, but 1755 an earthquake which destroyed Lisbon, the independence of Brazil in 1822 and the occupation during the Napoleonic Wars made Portugal lose a lot of its wealth and power. In 1910 its monarchy got replaced by restrictive governments, till a left-wing military coup succeeded in 1974. In 1975 all African Portuguese colonies got independent. Furthermore, Portugal is a founding member of NATO and a member of the predecessor of the EU since 1986. Portugal counts about 10,800,000 inhabitants. Its service-based economy tends to increase. Governments privatized state-controlled firms and liberalized key areas of the economy, like companies operating in the financial and telecommunications sector. Portugal is a member of the Economic and Monetary Union since 1999 and introduced the Euro in January 2002. During the 1990s the Portuguese economy flourished more than the EU average, but the rate of growth decreased from 2001 to 2008. The economy further decreased in 2009, and continued this trend until 2014, since the government applied spending cuts and tax increases to follow the rules of the EU-IMF financial rescue package Portugal had to take in May 2011. The economy started to recover in 2013 and proceeded in 2014 with exporting and an increase in consumption. Austerity measures caused a reduction of the unemployment and a lot of emigration. The former centre-right government managed to reduce the budget deficit from 11.2% of GDP in 2010 to 3.5% in 2015 and targeted to reduce labour market rigidity, to make Portugal more attractive to foreign direct investment. The new centre-left socialist government, has the objective to reduce spending cuts associated with austerity to stimulate economy and open up new opportunities in international trade and business.

The GDP per capita (PPP) is around $28,500 and is mainly composed by services (75.9%), industry (21.9%) and agriculture (2.4%). Main industries are textiles, clothing, footwear, wood and cork, paper and pulp, chemicals, lubricants, automobiles and auto parts, base metals, minerals, porcelain, ceramics, glassware, technology, telecommunications, dairy products, wine, other foodstuff and ship construction. The labour force accounts 5.17 million people while the unemployment rate is at 11.3%. 18.7% of Portugal's population lives below the poverty line (The Central Intelligence Agency, 2016e).

Concerning Portugal's worldwide trades, it can be said that it is the 50th largest export economy. In 2014, Portugal exported goods and services with a value of $63.1B. At the same time, it imported an amount of $79.5B. This means a negative trade balance of $16.4B.

The country's most valuable exports are refined petroleum ($3.27B), cars ($2.82B), vehicle parts ($2.39B), leather footwear ($2.3B) and uncoated paper ($1.44B), using the 1992 revision of the harmonized system classification. For the past five years the exports of Portugal have risen by an annual rate of 8.6%, from $41.8B in 2009 to $63.1B in 2014. The most valuable exports are refined petroleum which accounts 5.18% of the total exports and cars, which account for 4.46%. Mostly Portugal exports to Spain ($13.4B), France ($6.89B), Germany ($6.74B), Angola ($4.22B) and the United Kingdom ($3.83B) (The Observatory of Economic Complexity, 2015). Portugal imported $79.5B in 2014, being the 39th largest importer worldwide. For the past five years imports of the country have increased by 3.8% annually, from $66.1B in 2009 to $79.5B in 2014. Mostly crude petroleum (9.5% of the total imports of Portugal) and cars (4.43%) were imported. Portugal imports the most from Spain

($25.2B), Germany ($9.6B), France ($5.55B), Italy ($4.1B) and the Netherlands ($4.05B) (The Observatory of Economic Complexity, 2015).

To stimulate economic growth and create jobs a governmental program, called “Portugal 2020” was launched in 2014. The mainly targeted areas of Portugal 2020 are competitiveness, internationalisation, social inclusion, employment, human capital, and sustainable and efficient use of resources (Agência para o Desenvolvimento e Coesão, I. P., 2017).

As Brazil and Portugal partly have a common history and speak the same language, they still have a privileged relationship. Their common interest to boost trade and investment flows is getting stronger and even the global economic crisis did not have an effect on this strong relationship. Brazil nowadays is the seventh biggest nation in foreign direct investments done in Portugal and the fourth destination for Portuguese foreign direct capital investments. Additionally, about 600 Portuguese companies are located in Brazil (Pinto, 2017). Also Angola and Portugal are still closely connected and dependent on each other in certain areas (Tomás, 2015), which can open up new possibilities in international trade.

In Portugal the sector of consultancy services occurred a lot later than in other countries. This is a result of the retardation of the level of development and industrial structure of the country. In the 1940s university professors and huge service groups offered management consultancy services related to engineering together in Portugal. Due to government-sponsored programs in the 1960s the demand for consultancy services rose. Because of a lack of offer of consultancy services in Portugal, companies employed French companies, like Paul Planus and Corte, to satisfy their needs. Another French consultancy, called Cegos build up a partnership with the Lisbon Chamber of Commerce (Associaçâo Comercial de Lisboa). Also Mc Kinsey cooperated in 1969 with the conglomerate Cooperativa Uniao Fabril (CUF) to be present on the Portuguese market, instead of setting up a proper branch in Portugal. In 1974 the dictatorship in Portugal of Salazar came to an end which had an effect on the market. Portuguese consultancies happened to lose their entitled access to the market of the colonies and they were not prepared to fulfil the needs of the huge, lately nationalized companies. Again, foreign consultancies entered the Portuguese market. As markets, competition and complexity were growing, the demand for consultancy services increased. Only few Portuguese consultancies build up a partnership with a consultancy from the home or host country, a commercial association, suppliers or banks. Remarkable is the cautiousness with which foreign consultancies entered the Portuguese market. A reason for this can be the relatively small size of the market or cultural differences. The market was only entered when a certain level of profits was secured and comparing to other countries a long-term and trust based relationship was build. Consultants, which were working for huge consultancies, like for McKinsey and Hay took leading positions in huge Portuguese companies or politics. This was possible, because they had a lot of international contacts. The Portuguese management consultancy market became more and more comparable to other markets (Amorim & Kipping, 1999).

From this subchapter about Portugal, some propositions concerning the characteristics of the country, like the political and governmental support offered by the state, the Portuguese language, the ongoing relationship with former colonies, the weakness of the labour market and therefore competitive prices for services, can be drawn.

Considering that, proposition four suggests the following:

Characteristics *of Portugal open up opportunities for Portuguese companies to build a network with a German company.*

The yearly imports of about $9.6B, conducted by Portugal from Germany imply that Germany sells goods and services, which means that there should exist business relationships. Therefore, German companies are assumed to already have a certain knowledge about the Portuguese market. This leads to the next and fifth proposition of this work:

German companies already know a lot about the Portuguese market, which opens up opportunities.

The last and sixth proposition, which tackles the late occurrence of consultancy services in Portugal and implies a lack of networks between Portuguese and German companies. The concrete proposition is the following:

It is unlikely that German consultancy companies already have a network in Portugal, which increases the opportunities for Portuguese companies to find a German partner.

2.3.2 Consultancy in international business in Germany

After Russia Germany is the most populated country in Europe, the world's fifth largest economy (in PPP) and Europe's largest. Therefore, it contributes substantially to Europe's economic, political, and defence organizations. During the first half of the 20th century Germany was a main player in two World Wars. In 1949, with the start of the Cold War Germany got divided into two states. Namely, the western Federal Republic of Germany (FRG) and the eastern German Democratic Republic (GDR). The GDR was communist and involver in the Soviet Warsaw Pact. On the contrary, the FRG was democratic and became member of the predecessor of the EU and the NATO. The end of the Cold war and the fact that the USSR was falling apart unified Germany again in 1990. After being unified again, Germany managed to rise wages and productivity to push the country up to western European standards. Germany introduced the Euro in January 1999, has about 80,700,000 inhabitants, is an important exporter for machinery, vehicles, chemicals, and household equipment and has a highly skilled labour force. The current problem Germany faces are similar to its Western European neighbours and count demographic challenges, like low fertility rates and an enormous increase in net immigration. This is challenging Germany's social welfare system and requires structural reforms. Because of governmental actions the economy grew and the unemployment fell. During the crisis of 2008/09 the unemployment only increased slightly, as the government subsidized the reduced working hour scheme. In 2015 a minimum wage of $11.60 per hour was introduced. Also tax cuts and the urge to stabilize the market increased the budget deficit of the country. In 2010 the deficit increased by 4.1% and in 2011 less spending and higher tax revenues reduced the deficit to 0.8%. In 2015 Germany had a budget surplus of 0.9%. Due to the lack of investments the government plans to invest 15 billion euros from 2016 to 2018. The most investment will be made in infrastructure, in order to stimulate private investment. Germany used to have 17 nuclear reactors which are supposed to be shut down till 2022. This announcement was made after the nuclear disaster of Fukushima in 2011. Nuclear power will be replaced by renewable energy, which augmented from 9% of the electricity consumption in 2000 to 27.8% of the total electricity consumption in 2014. Due to domestic consumption, low energy prices and a weak euro, Germany's GDP is forecasted to continue its upward trend. Germany's GDP per capita (PPP) is \$48,200 and is mainly composed by services (69.1%), industry (30.3%) and agriculture (0.6%). The main industries are iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, automobiles, food and beverages, shipbuilding and textiles. Germany has a workforce of 45.3 million people, employs 73.8% in the service sector, 24.6% in industry and 1.6% in agriculture. Germany's unemployment rate is at about 4.3% while the population living below poverty line accounts 15.5% (The Central Intelligence Agency, 2016c). Germany is the world's 3rd largest export economy. In 2014, Germany's exports accounted \$1.41T while Germany imported goods and services of an amount of \$1.13T which means a positive trade balance of \$271B. From 2009 to 2014 the country's exports rose from \$1.04T to \$1.41T, which equals an increase of 6.3% annually. The goods Germany exports the most are cars (\$163B; 11.6% of its total exports), vehicle parts (\$63.2B; 4.49% of its total exports), packaged medicaments (\$52B), planes, helicopters, and/or spacecraft (\$31.8B) and human or animal blood (\$20.8B), using the 1992 revision of the Harmonized System classification. The destinations of Germany's exports are the United States (\$121B), France (\$119B), the United Kingdom (\$100B), China (\$96.7B) and the Netherlands (\$85B). With imports of \$1.13T in 2014, Germany is the world's 3rd largest importer. From 2009 to 2014 the country's imports rose from \$842B to \$1.13T, which means an annual increase of 6.1%. Mostly Germany imported crude petroleum (\$53.3B, representing 4.7% of the country's total imports), cars (\$47.3B, representing 4.17% of the country's total imports), vehicle parts (\$38.2B), refined petroleum (\$31.1B) and computers (\$27.7B). The countries Germany mostly imported from, were the Netherlands (\$113B), China (\$101B), France (\$85.4B), the United States (\$61.6B) and Italy (\$61.3B) (The Observatory of Economic Complexity, 2010).

As already mentioned earlier when the issue of consulting services in international business was described, consulting generally lacks in research (David & Strang, 2006). Especially in Germany it is difficult to find information about this specific industry. A high level of discretion and competition might be the reason for that. In expressions used on homepages of consultancies are really vague and broad. Therefore, it was time consuming and sometimes not possible to find out about the nature of services offered by consultancies, or what they want to focus on in the future. This prolonged and complicated the process of establishing the database of German consultancies to interview.

After giving an overview of the issues of internationalisation and services and describing the countries, the research question which is about the opportunities for partnerships between international business management consultancy firms in the case of Portugal and Germany, is justified. The main objective is to find out if there are opportunities for a Portuguese management consultancy firm to build up a partnership with a German management consultancy firm.

To give an overview over the propositions, figure six summarizes all the six propositions and relevant authors to the topics are provided.

	proposition	**main authors**
1	German management consultancy firms, which already work with countries close to Portugal are more likely to establish a partnership with a Portuguese partner.	(Johanson & Vahlne, 1990; Moen & Servais, 2002; Erramilli, 1991)
2	The degree of diversity and internationalism influence the opportunities of a Portuguese company to establish a partnership with a German company.	(Coviello & Martin, 1999; Moreira et al., 2010; Serra et al., 2012)
3	German companies engage in a partnership with a Portuguese partner, because they want to enlarge their opportunities on the international market and improve their overall performance.	(Onkvisit & Shaw, 1997; Sarathy & Terpstra, 1997; Czinkota & Ronkainen, 1998; (Amal, Baffour Awuah, Raboch, & Anderson, 2013)
4	Characteristics of Portugal open up opportunities for Portuguese companies to build a network with a German company.	(The Central Intelligence Agency, 2016e; Agência para o Desenvolvimento e Coesão, I. P., 2017; Pinto, 2017; Tomás, 2015)
5	German companies already know a lot about the Portuguese market, which opens up opportunities.	(The Observatory of Economic Complexity, 2015)
6	It is unlikely that German consultancy companies already have a network in Portugal, which increases the opportunities for Portuguese companies to find a German partner.	(Amorim & Kipping, 1999)

Figure 6: Table of propositions (source: own creation)

After this literature review and the presentation of the propositions, the following chapter is dedicated to the methodological approach which is a huge part of the process of empirical research.

3. Methodological approach

The following chapter has the purpose to inform about the methodology chosen to establish the empirical part of this thesis. The qualitative research method was selected to be the most accurate method to tackle the issue of the research question, as the target is to have a well-focussed and deep analysis of the topic. To collect data, the tool of qualitative and semi-structured interviews were considered to be the most accurate. The methodology consists of two phases of interviews. The first phase is about interviews with Portuguese consultancies, the second phase is about interviews with German consultancies. Additionally, the propositions which already have been mentioned during the literature review, to directly link the literature with the empirical part of the thesis, are discussed in a further section of this thesis. In order to structure and evaluate the results, the software “nvivo” was used.

Below, the problem is defined, the methodology is described, the target is stated out, the collection of data, the database and the interviewed companies are characterized, and information about the transcripts of the interviews is given. Furthermore, the steps of the study are explained in better detail.

3.1 Definition of the problem

The problem to be solved is to find out about the availability and willingness of Portuguese and German consultancies to establish a partnership with each other. Therefore, it has to be found out whether those international business consultancies perceive a partnership with a partner from the other country as attractive. The literature suggests that Portugal eagers to trade internationally. This can be done with the support of a foreign partner and for this purpose German consultancies are interesting partners for Portuguese companies to start cooperating with. As already explained earlier, the thesis focuses rather on the question about the opportunity of Portuguese companies, finding a German partner to cooperate with, than reverse. Since the economy of Germany is stronger than the economy of Portugal which implies that there is more risk for German companies. The reasons therefore are opportunity costs and issues like reputation and power. Furthermore, Germany is one of the leading economies worldwide, which means that the German company seems to have the full choice about the markets it wants to trade with. This leads to the investigation of the opportunities of Portuguese consultancies to cooperate with German consultancies. The propositions implemented into the text connect this problem with the conducted investigation.

3.2 Description of the methodology

First, exploratory and semi-structured qualitative interviews with Portuguese international business management consultancy firms were conducted to find out whether they are available for a cooperation with a German partner.

The next and principal target was to answer the main question of the thesis, whether Portuguese companies have opportunities to find German partners. For this purpose, German consultancies were interviewed. Roughly, a database of German business consultancy firms, which are doing business in international business was established. The companies of the database were asked within semi-structured interviews whether they are interested into a collaboration with a Portuguese international business consultancy firm. In case they were interested into a cooperation, it shows that there is the opportunity for a partnership and reasons why the companies show interest were investigated. For the case the companies are not interested the reasons therefore were asked.

To better describe the methodology conducted, three subchapters were established. The first gives details about the qualitative and semi-structured interviews. The following subchapter explains the target of the study. The last subchapter gives an overview over the phases and steps of the study.

3.2.1 Qualitative and semi-structured interviews

Qualitative research, was chosen as being the most reasonable methodology of research to answer the research question, as it offers a very broad investigation of the topic and connects a lot of subjects and methods. In the end there are various different methods to interpret qualitative research. It is important that the chosen method of interpretation is well structured to add value. During the process of interpretation creativity plays a huge roll. It has to be kept in mind that everyone has its own way of interpreting, which means that there is no wrong way of interpretation (Denzin & Lincoln, 1994).

The analysis of qualitatively collected data, consists of three sub processes. The reduction of data, the display of data and the drawing and verification of the conclusion. During the process of data reduction, the gathered data is summarized, coded, clustered and selected. (Miles & Hubermann, 1984). Within the process of data display, the data is shown in a more structured way which gives the researcher the possibility to have a better overview about the data's meaning and relevance (Fischer & Wertz, 1975). While conclusions are drawn, the researcher will extract meaning from the well displayed data. There are different ways to come to a conclusion. For example the data can be compared, contrasts can be found, there can be paid attention on patterns and themes, data can be clustered, metaphors can be used, and contradictions or surprises can be investigated in better details (Miles & Huberman, 1994).

It is important that the used method offers a lot of room for individuality, as this thesis is about a specific constellation with limitations. Another reason why the qualitative method was chosen over a quantitative method is, that the target was to investigate the topic as deep as possible. It was not the objective to superficially contribute to the state of knowledge. Therefore, the qualitative method is a good tool to come up with significant results and the individuality of this study can be respected. The process of analysis and conclusion was supported by the software "nvivo".

3.2.2 Target of the study

The main target of this study is to find out the availability and therefore the opportunities for partnerships between Portuguese and German international business consultancy firms. In case Portuguese and German consulting companies show interest into cooperating with a partner from the other country their availability to establish a partnership, and therefore an opportunity was discovered.

Such a cooperation would be useful to increase the scale the companies are doing business in, concerning their expertise and countries they offer their services in.

Within the process of further research, the identified opportunities and restrictions can be investigated and the reasons for those and strategies to exploit them can be identified.

3.2.3 Phases and steps of the study

The first step of the study was the literature review, which showed the relevance of the research question from a theoretical point of view. As already mentioned in the description of the methodology, first Portuguese consultancy firms were interviewed to investigate their motivation about finding a German partner and expanding to the German market, to support what was found out during the literature review. It was very important to analyse and confirm this from a practical point of few. Nevertheless, the focus of this study is on Portuguese international business management consultancy firms and their opportunities to expand abroad. To get the results, potential collaborators, which are German international business management consultancy firms, were interviewed. The first step of the process of interviewing German international business management consultancy firms, to find out more about the willingness of a cooperation, a database with German international business consultancy firms was established. During the next step semi-structured interviews with the decision maker for internationalisation of the German companies were conducted. In the end the software "nvivo" was used to organise and analyse the interviews. Figure seven pictures this process.

Figure 7: Phases and steps of the study (source: own creation)

3.3 Collection of data, database and interviewed companies

The interviews were conducted anonymously, as competition plays a huge role in the consulting industry. This is why the Portuguese companies were relabelled with numeric characters (e.g. "company 1"), while alphabetic characters were added to the German companies (e.g. "company A").

For the exploratory interviews with the Portuguese consultancies, companies from the professional network of the author were interviewed. The decision maker in internationalisation were contacted via email and with company 1 a phone interview took place, while company 2 was interviewed personally. Both companies have branches in Porto and have been operating in international business for several years. Company 1 is bigger than company 2 and has therefore more employees and several branches in Portugal. Concerning the services they offer they are very similar.

In order to conduct the interviews with the German companies, a database of German international business consulting companies was established. Desktop research and the support of the website “Kompass”, which provides a register of all companies around the world, was used to construct the first draft of this database. The first draft of the database, without filtering, consisted of 520 German companies. This database was reduced, that only consultancies which were not multinationals and whose homepage states that the company engages in internationalisation stayed in the database. For this purpose, the webpages of the 520 companies were screened for information about their activities and offered services. Targeted interviewees were German business management consultancy firms which are operating in the sector of international business, so an ideal interviewee would be a German international business management consultancy firm, with an interest in expanding its network internationally. Therefore, it made sense to only transfer companies active in consulting in internationalisation to the actual database. The resulting database consisted of 54 companies. Six out of them were, according to their homepages already having a Portuguese partner or any link to Portugal, like a branch or an office. All those companies were potential partners of Portuguese management consultancy firms in the process of building up a partnership to expand their network. In order to address the key person in the German companies, emails to the general email dress of the companies were sent. Those emails were sent on the 19th of April 2017 and contained the survey and some information about the master thesis. For example, it was mentioned that the survey is completely confidential and the name of the companies or interviewees will not appear anywhere. Mentioning this seemed crucial to get answers, as confidence and competition play a huge role in this industry.

Within the emailing, the participants were asked to send the email back with their answers. It was additionally offered to schedule a phone interview. About one week after sending the emails, the companies which did not answer by then were called and asked if they received the email and whether they intend to answer, or if they agree on an interview right away. The companies checked whether they received or forwarded the email to the right person. Some did not find the email, or told a more accurate email address to send the email to. So the email was resent and they were called again some days later, to check if the email has been received and if an answer can be expected. When interviews were conducted on the phone, it took about twenty minutes. As the calls were conducted from Portugal, a monthly pass from "Skype", called "Europe Unlimited mins mobiled and landlines" was used in order to keep costs low.

On May 26th this phase of the study was closed and the last interview was conducted, so the period of data collection lasted exactly 37 days.

Out of the 54 companies, which were approached, eight (14.81%) never answered the phone, when they were tried to be contacted after sending the email. Thirteen (24.07%) informed that they are not willing to participate on surveys or to support this study, and twenty companies (37.04%) told that they have forwarded the email to the person in charge and it has to be patient, till they give feedback. In the end, thirteen companies (24.07%) were willing to answer the questions. Eight companies (14.81%) out of this thirteen answered in better details, while five were not willing to answer every question. This corresponds to a general response rate of 24.07% and 14.81% of the approached companies answered in great detail.

Figure eight gives an overview about the feedback of the approached companies.

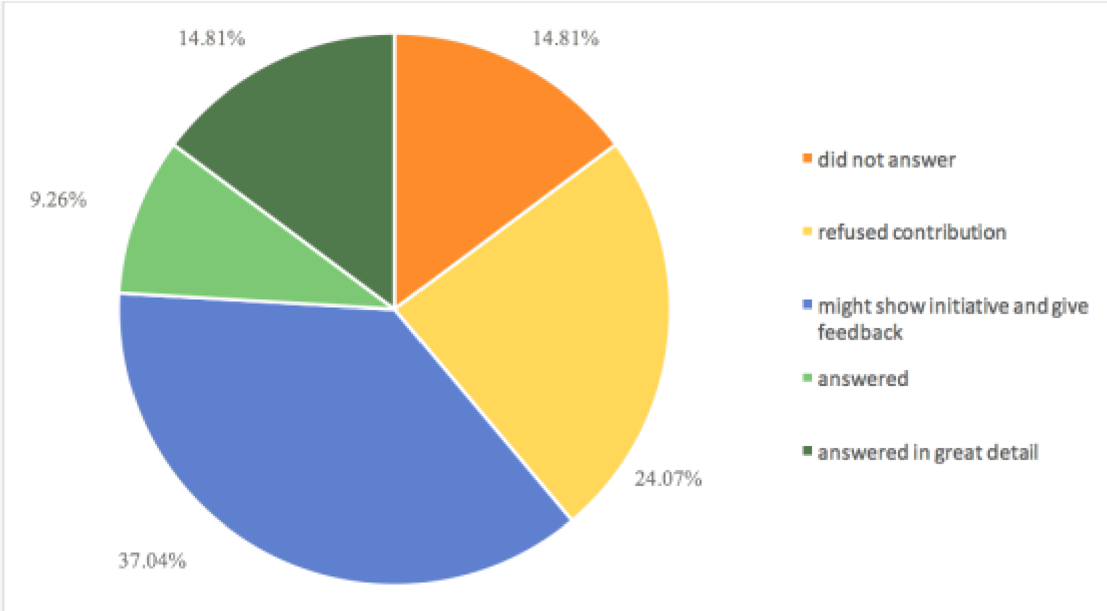

Figure 8: Feedback of approached companies (source: own creation)

The headquarter of the interviewed companies were in Bavaria (4), Baden-Württemberg (3), Hesse (1), North Rhine-Westphalia (1), Saarland (1), Saxony (1), Hamburg (1) and one company did not inform about the location of the headquarter.

Most people interviewed were the owners of the companies (7), followed by mangers (3) an executive assistant (1) and a global recruiter (1). One participant did not give information about his/her position in the company. After interviewing all the companies which were willing to answer the questions, the results were analysed and evaluated. Therefore, the software "nvivo" was used. In "nvivo" case classifications (company, countries interviewees operate in, position of interviewee, year of establishment, number of employees, location of headquarter, languages spoken in business, company size of customers, origin of customers, target markets of customers of the companies) were created and nodes were established. The nodes have the purpose to link to the propositions. Following nodes were created: reason to favour partnership to Angola, Brazil or Mozambique, lack of knowledge about Portugal, level of knowledge about Portugal, reason to favour a network to Portugal, what a partner should provide within a partnership, reasons for refusing a partnership to Angola, Brazil or Mozambique, how Portuguese companies can attract Germany, countries the interviewees work with, services the interviewees offer, and reasons to refuse a partnership with Portugal.

3.4 Translation and transcription of the interviews

As part of the communication was held in German, the conducted interviews were translated if needed. Some interviews were made via phone, some via email, and one interview was made personally. In every case a transcript of the interview was made. Those transcripts were in the end analysed and conclusions were drawn. As the interviews are all anonymous, the names of the companies got replaced by pseudonyms and it is not possible to show those transcripts in the appendices. However, the guideline after which the interviews were conducted can be found in the appendices.

4. Presentation and discussion of results

In the following chapter, the availability of Portuguese and German consultancy companies to establish a partnership with each other are explained.

As the results of the Portuguese companies are strongly following the same direction, the focus is on the interviews of the German companies. Those interviews are analysed more detailed and with propositions.

The interviews were, as mentioned before, anonymised. The German companies have been relabelled with the letters of the alphabet ("company A" to "company M"). The Portuguese consultancies got relabelled with "company 1" and "company 2".

4.1 The availability of Portuguese consultancy companies to partnership with German consultancy companies

The results of the first part of the interviews, which were interviews of two Portuguese management consultancy companies operating in international business, heavily supported the assumption drawn from the literature, which was that Portuguese companies are interested into a partnership with German companies. As both companies interviewed even gave the very same reasoning for their strong interest towards a partnership with a German consultancy, the saturation of data was reached and the assumption, that the focus of this investigation should be to find out, whether there are possibilities for Portuguese companies to have a partnership with a German consultancy, was justified by the two interviews.

Furthermore, the Portuguese consultancy market is a lot smaller than the German consultancy market, which again supports the relevance of a smaller amount of interviews.

To get into detail, the main statements of the Portuguese companies are mentioned.

The companies said that:

> *"Germany is very interesting, as it is one of the top economies in Europe. It is a very strong country with a good vision. German companies have a good positioning in quality and innovation of technology."* (company 1). And: *"Since the crisis in 2009, the most requested market, our customers want to expand to is Germany."* (company 2).

Both companies stressed that they aim to have a German partner. To highlight the relevance, that within Europe a German partner appears to be especially attractive, another quote is mentioned:

> *"Due to the emigration of Portuguese citizens to France, Portugal has a lot of networks to France, which is a huge economy too, but there are almost no networks with Germany or German speaking countries to better target the German speaking countries."* (company 2).

Portuguese companies could be concerned about the drawbacks of a partnership, which were explained within the literature review. However, during the interviews this was not the subject at all and the weaker position of the Portuguese economy let assume that with the establishment of a partnership with such a company located in a strong economy like Germany, not a lot is at stake.

The statements of the Portuguese companies clearly show that Portuguese companies are available and even strive for partnerships with German consultancies.

4.2 The availability of German consultancy companies to partnership with Portuguese consultancy companies

To sum up the results of the interviews with the German companies, and therefore of the main part of this thesis, which is to investigate the opportunities of a Portuguese consultancy to find a German partner are presented. To investigate the situation in Germany, more interviews were needed compared to Portugal. As Germany is a bigger market, the answers were more diversified and due to its strong economy, the risk to engage into a partnership is higher for Germany. As already mentioned in an earlier chapter, 54 companies were approached and thirteen were willing to sacrifice some time to answer the interview. Out of those thirteen companies interviewed, four (company E, G, H, M) said that they would be interested into a Portuguese partner, which corresponds to a percentage of 30.78%. Another four (company B, I, J, K) companies and therefore again 30.78%, answered the question, whether they would like to have a Portuguese partner with "rather not", while five companies (company A, C, D, F, L), which corresponds to a percentage of 38.46%, denied the need for a Portuguese partner. Figure nine visualizes the result of the investigation.

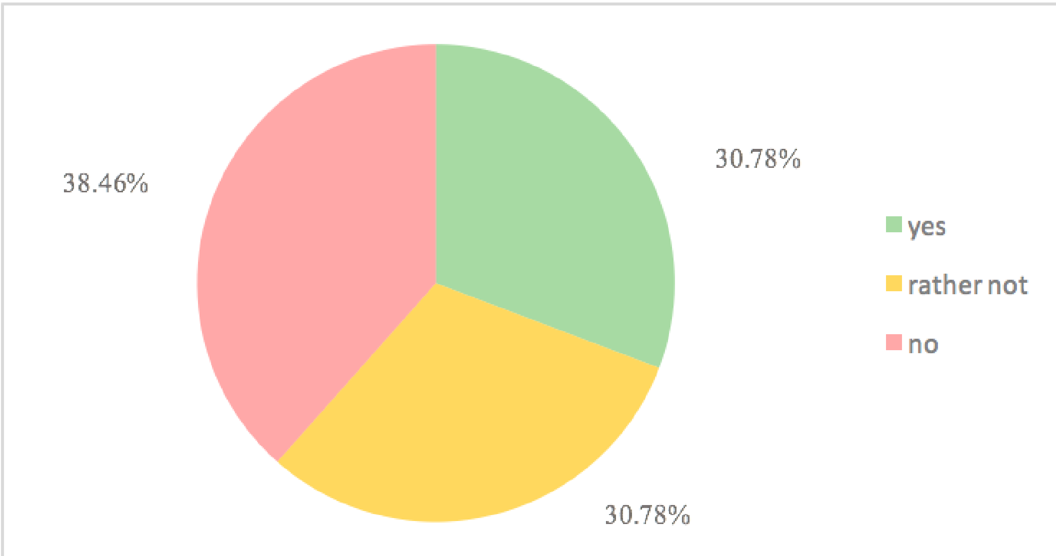

Figure 9: Availability of German consultancies to establish a partnership with a Portuguese consultancy (source: own creation)

To quickly characterize the companies, it is informed that the companies were found between 1986 and 2010. In seven companies (company F, I, J, E, G, H and M) two to three languages are spoken and the headquarter of the interviewed companies are in Bavaria (4), Baden-Württemberg (3), Hesse (1), North Rhine-Westphalia (1), Saarland (1), Saxony (1), Hamburg (1) and one company did not inform about the location of the headquarter. Moreover, seven companies (company A, J, K, E, G, H, and M) said that their customers are mainly small and medium sized companies.

In the next section the main results of the interviews concerning the opportunities for partnerships of Portuguese companies on the German consultancy market and the contributions to existing knowledge are presented.

The first part informs about the factors influencing the opportunities for partnerships, then it is explained under which conditions German companies are more likely to establish a partnership with a Portuguese company and in the end a section about the reasons why German consultancies would refuse to work with a Portuguese consultancy are mentioned.

Following the circumstances perceived by German companies, influencing a partnership with a Portuguese company are explained. The answers of six companies (B, C, F, D, I and J) show that the current level of international experience, the experience with other countries and international connections of a company are related to the opportunities of a partnership with a Portuguese consultancy. Results of the interview of another six companies showed that in a partnership with a Portuguese company, it would be crucial that the business strategy of the companies correspond with each other (companies C, D, E, F, I and L). Further six companies (company E, G, H, J, K and M) admitted that they only have little knowledge about Portugal and therefore the Portuguese market, which has an influence on the opportunity to do business with a Portuguese company. Five companies (company B, E, G, H and M) said that Portugal is not very present on the German market and they should make themselves more visible and appear on trade fairs, in journals, in industry related search engines and use search engine marketing.

> *"Brazil in comparison is a lot more present on the German market than Portugal."* (company E).

The reason therefore is that:

> *"Brazil is actually better known than Portugal, as it presents itself better...Portugal is not very popular in Germany. For most people Europe ends with Spain."* (company M).

Portuguese consultancies are aware of this circumstance and mention that:

> *"One of the reason why there are not a lot of partnerships between Portuguese and German companies is that Portugal does not promote its companies well enough. German business people should come to Portugal and picture our potential with their own eyes. Then we will understand each other better. "*(company 2).

A further suggestion for Portuguese companies is to build up a network of contacts which can be considered when needed. Another five companies (company E, M, G, H and K) would be interested in working with Brazil and one company with Mozambique (company K), which can be brought in relation with an opportunity for a Portuguese consultancy.

Following the conditions under which the German companies are more likely to establish a partnership with a Portuguese company are mentioned. For German companies it seems important that within a partnership, that the partner speaks English (companies E, G, H and M), the knowledge in terms of culture and language increases (company E, G and J), the knowledge in terms of business increases (company K and M) and that mutual benefits occur (company B and H).

Also the economic situation of the country (company G and K) plays a role, as weak economies might not be demanded as a business partner. Company G also mentions that it is crucial that the website of the company is in English or German and gives a good overview over the company and its services, as it is the first way of getting in touch with the potential partner.

In the next section the reasons why German consultancies would refuse to work with a Portuguese partner are examined. Concerning this topic, there are statements from eleven companies. Company A did not explain its situation very well, but said that there is no possibility to work with the Portuguese market. As suggested by the literature, Company B would rather refuse, due to negative past experience. The companies C, F, D and I tend to specialize in certain areas, which can also be seen as their business model and strategy. Another reason to refuse such a partnership was that Portugal is*:*

> *"…a small country. The customers do not ask for services in Portugal. A huge upward trend in the Portuguese economy could change that, but this is not a thing a Portuguese company can influence."* (company G).

Also Company K mentions that its lack of interest into a partnership with a Portuguese company depends on the development of the Portuguese market. Company E and L state that their business model would not match with the idea of having a Portuguese consultancy as a partner. The issue of the business model can also be brought in relation with the answers of the companies C, F, D and I. Company J said that a partnership would not be interesting, as he does not speak Portuguese and does not know the country (=mentality).

Figure ten gives an overview over the main results of the interviews of the German companies, which is to show the availability for a partnership. Additionally, factors which influence this availability are brought into relation with this availability.

company	availability for a partnership			factor of influence on the availability to establish a partnership					
	yes	**rather not**	**no**	**level of international experience**	**corresponding business strategies**	**knowledge about the Portuguese market**	**absence of Portugal on the German market**	**partnership with Brazil**	**English skills of partner**
A			x						
B		x		x			x		
C			x	x	x				
D			x	x	x				
E	x				x	x	x	x	x
F			x	x	x				
G	x					x	x	x	x
H	x					x	x	x	x
I		x		x	x				
J		x		x		x			
K		x				x		x	
L			x		x				
M	x					x	x	x	

Figure 10: Overview of the main results of the interview with German companies (source: own creation)

The following section of this thesis will give more detail about the result of the study and the six propositions will be individually discussed.

4.2.1 Opportunities when a company already works with partners from abroad

As described in proposition one, companies internationalise gradually and therefore the opportunities of a Portuguese company to find a German partner should increase when the German company already works abroad, and especially if it works with countries close to Portugal.

Companies which favour a partnership with a Portuguese partner answered that they already trade with America, China, Europe, France, Germany, Great Britain, Italy, India, Mexico, Portugal, Poland, Spain and Turkey.

Countries which do not favour a partnership with a Portuguese company are already doing business with Central-, eastern-, and northern Africa, America, Asia, China, Europe, India, Japan, Poland, South East and South America.

As companies gave broad answers, like “Europe”, the results from the interviews are difficult to analyse. This furthermore let assume that a company which does business with European countries does not really see a difference in terms of difficulty in trading with different European countries. A reason for that could be the existence of the European Union which eliminated borders within Europe from an economical point of view.

One company explained its specific situation concerning its past experience with other southern European countries:

> *“I am self-employed and work in this sector for 22 years now and my experience with similar countries (=countries in southern Europe) like Spain, Italy or Greece was very bad. Consultancies in those regions highly favour companies from their own countries. This is why I cannot imagine working successfully with colleagues from those countries. Generally, I experienced that companies located in the south of Europe do not want to pay for consulting or management. Instead they try to use the German consultant as a commercial agent. This is not what I want. Knowledge and good management have its price.”* (company B).

Nevertheless, the interviewee mentions that he does not have any experience with working with Portuguese companies and he has a positive attitude towards Portugal. Still, that opinion seems to put Portugal into a disadvantageous position, due to bad past experience with neighbouring countries.

This means that the assumption that opportunities increase when the countries already do business with countries near to Portugal can neither be supported, nor dismissed, as companies gave too broad answers. One company (company B) seems to have a negative attitude towards Portugal, as his past experience with countries, which are in his opinion similar to Portugal was not good. However, the opinion of only one company does not have the significance to draw a general insight out of it. To refer to the literature, the proposition would be supported the Uppsala model (Johanson & Vahlne, 1990), but also contradicted, as nowadays the strategy to internationalise is in conflict with the gradual model of internationalisation (Moen & Servais, 2002).

4.2.2 Characteristics of German companies favouring the establishment of a partnership

Proposition two suggests that the number of employees a company has, the number of languages spoken, the level of international experience and amount of international connections of a company, decide about the probability of a company to start a new partnership with a foreign partner, and therefore the opportunities whether Portuguese companies will be able to establish a partnership with a German company.

Concerning the number of employees only two companies which are not interested into a Portuguese partner were willing to inform about the number of employees, so no conclusions can be drawn.

In more than the half of the companies (7; companies F, I, J, E, G, H and M) two to three languages were spoken. In company K, which stated rather not to establish a partnership with a Portuguese company, nine languages were spoken, which was by far the highest amount of languages spoken. The other five companies did not answer that question. Within this research no significant conclusion can be drawn, as only one company (company K) strongly contradicted the proposition and the other companies claimed to use a similar amount of languages within their company.

Concerning the level of international experience and networks, a relation to the previous proposition can be drawn, as the companies gave broad answers, like Europe, South America, North America, South East Asia, Central Europe, southern Europe and northern Europe, which makes it impossible to compare the number of countries they are operating in and therefore the importance and relevance of their networks. Having a look at the answers of the companies let assume that companies which are favouring a partnership with a Portuguese company have about the same international network at their disposal, as companies which are (rather) not willing to establish this kind of partnership.

However, when having a look at the reasons why German consultancies would refuse to work with a Portuguese partner and the international experience and networks, hence applying the reverse logic, connections can be found. As already mentioned while discussing proposition one, company B seems to have a negative attitude towards a partnership with a Portuguese company due to bad past experience with southern European countries.

Furthermore, company C and F pointed out that they specialize in one certain country only (company C: India; company F: Poland) and are therefore not interested. Company D and I answered in a similar way. The companies only do business with a certain area, although they claim to be open minded to new networks in other countries. Another company refused a Portuguese partner with the following statement:

> *"I do not speak Portuguese and I do not know the country (=mentality)."* (company J).

The statements of company B, C, F, D, I and J show that the companies' current level of international experience, the experience with other countries and the amount of international connections matters. If their international experience and network does not include any contact with Portugal, they do not seem to be open minded towards a partnership with a Portuguese company, which supports the proposition. It has to be mentioned that in the case of the companies C, F, D and I it is possible that focussing deeply on certain countries/areas is their business strategy, which means that they would never change their mind and become interested into a partner from another country.

To connect with the literature and sum up, the interviews did not show any significant link between characteristics, like the firm size (=the number of employees), languages spoken (Serra et al., 2012) and the willingness of German companies to establish a partnership with a Portuguese partner.

On the other hand, past international experience and existing networks of a company (Coviello & Martin, 1999) seem to influence the opportunities of a Portuguese company to find a German partner.

4.2.3 Purpose why a partnership is established

Proposition three states that the main reason why German companies will engage in such a partnership is to enlarge the opportunities on the international market and improve the overall performance. Seven different companies (B, E, G, H, J, K, M) gave a reason why a partnership with a Portuguese partner could be successful. It has to be kept in mind that only the companies E, G, H and M would actually be interested into the cooperation with a Portuguese company. This means that the companies B, J and K see a reason for a cooperation with a Portuguese company, but are particularly not interested. Following the reasons of the German companies are explained. Company B says that in strategic alliances advantages for both parties can be obtained, but it would be important that the Portuguese partner behaves like current partners from Central and northern Europe. Company E states that a foreign partner is important to provide cultural awareness and that a Portuguese partner is perceived as interesting, it should support the company's business model and therefore sell and provide company E all the necessary information.

Company G thinks that crucial points to establish a partnership are the increase of knowledge. Especially because the partner has different skills in terms of language and cultural awareness in the host country. Additionally, a Portuguese partner would be an interesting tool to enter the Brazilian market. Company H says that a partnership should bring a win-win situation for all parties. Otherwise a partnership does not make sense. Also the exchange of information about products and services which could be marketed successfully seems to be important. A further purpose of a partnership, according to company H is the enlargement of the own network in order to have more possibilities, to offer more markets (=countries) to customers, to mutually pass customers to each other and to carry out projects together. Company H also draws a connection with the environmental circumstances faced and adds that:

> *"…countries get more and more connected and therefore companies building a network with other companies in different countries are in a better position."*

Company J states that tolerance and understanding for cultural particularities is the most important contribution of a partner. Company K thinks a partner is there to investigate realistic chances on the market and conduct a common risk evaluation. Company M sees the main advantage of partnerships in the development of common solutions and services.

Generally, it can be said that with seven companies, more than the half of companies (=53,85%) interviewed contributed with their opinion about the purpose of building up a partnership. To sum up most companies see the reason of a partnership with a Portuguese partner in increasing knowledge in terms of culture and language (company E, G and J), increasing knowledge in terms of business (company K and M) and mutual benefits (company B and H). Those activities follow the overall target to increase the performance and opportunities, which make the proposition based on the literature (Onkvisit & Shaw, 1997; Sarathy & Terpstra, 1997; Czinkota & Ronkainen, 1998; Amal, Baffour Awuah, Raboch, & Anderson, 2013) valid within this study and means a German partner wants to use a partnership to increase its opportunities and performance on the international market.

4.2.4 Influence of characteristics of Portugal on the establishment of a partnership

Proposition four suggests that characteristics of Portugal, like the political and governmental situation, the Portuguese language, the close relationship with former colonies and competitive prices for services contribute positively to opportunities for Portuguese companies to build a network with a German company.

To begin, the situation about the former colonies is explained. Company E, M and G say that it would be interesting to establish a network with Brazil, and Brazil is even better known than Portugal, as it presents itself better at events. However, Mozambique and Angola appear really foreign to those companies and therefore there is not a lot of interest.

> *"If it would be demanded a Portuguese partner could also help to work with Brazil in case we get a request to work on/with the Brazilian market. German companies might want to produce in Brazil. Then they (=consultants of Portuguese consultancy company) have to help to find out about tolls and general information about Brazil."* but "*…the company never had demand to work in/with Angola/ Mozambique."* (company G).

Company K thinks that Brazil and Mozambique would be interesting to have a partnership with, but does not give a reason for it. Company H mentions that they are already working with a partner from Brazil and Africa would be an interesting market. The issue is that it is not a known market and Mozambique appears too insecure for international companies. another reason why a company denied interest into doing business with Brazil, Angola and Mozambique is the:

> *"...lack of language skills and no connection/ relation to those countries."* (company J).

Summed up, four companies are interested into working with Brazil (E, M, G, and K), one already has a partnership to Brazil (H), one company is interested into working with Mozambique (K), and one is not interested into trading with any of those countries (J).

Due to its history Portuguese companies are partly seen as a bridge to Brazil, but as Brazilian companies seem to be more present on the German market than Portuguese, Germans can also directly cooperate with a Brazilian partner and might not feel the urge to have a Portuguese intermediate, even though this would be assumed, as Portuguese companies, due to their common history, might be able to better communicate with and understand Brazilian companies better, than Germans can.

To compare the interest about working with a Portuguese and a Brazilian partner, the interviews showed that companies which are interested into a Portuguese partner (E, G, H and M), are not the same ones interested into a Brazilian partner (E, G, K and M). Company K states that the Portuguese market is rather not interesting because of its development, but there is no information given why the Brazilian market is interesting. Company H says that Brazil, Mozambique and Angola are not that interesting to establish a partnership with, as they already have one partner in Brazil and Mozambique does not seem secure enough for international companies.

Not a single company mentioned the situation of the labour market and therefore low prices or the opportunities arising of the governmental policies, like "Portugal 2020". Also that a Portuguese partner speaks Portuguese which can be useful when trading with other countries, was not mentioned as an advantage in particular. However, that Portugal is seen as a bridge to Brazil can mean that the interviewees see the advantage of the common language. This let assume that German companies substantially lack in information about Portugal and the Portuguese market, will be better explained in the following proposition.

The proposition drawn from the literature (Central Intelligence Agency, 2016e; Agência para o Desenvolvimento e Coesão, I. P., 2017; Pinto, 2017; Tomás, 2015) that characteristics of Portugal increase the opportunities of having a partnership with a Portuguese company cannot be supported, as German companies do not see Portuguese companies as an intermediate to the South American or African market and German companies lack in knowledge about the potential and possibilities Portugal offers.

4.2.5 Opportunities to find a partner and stage of knowledge about Portugal

Proposition five suggests that German companies already know a lot about the Portuguese market, as Portugal imports a lot from Germany.

Out of the thirteen interviewees, no one felt very well, or well informed about the Portuguese market. Company E, G, H, J, K and M admitted that they feel not (that) well informed while all the other companies did not inform about this topic. The same companies which admitted that they feel not well informed about the Portuguese market explained their level of knowledge about the market better. Companies said:

> *"I do not know anything about the Portuguese market."* (company E). *"Generally German companies seem to lack in knowledge about consultancies on the market."* (company G). Another interviewee added: *"There was not a single situation when I got confronted with the Portuguese market. I lack in everything. I do not know anything about the accessibility of the market, opportunities for companies to be successful in Portugal, etc.…"* (company H).

Company J answered that issues in Portugal, like language, mentality, business practices, etc. are unknown. Company K explains:

> *"There are not any informational events about Portugal in Germany, at least I do not know about any, which means that their visibility is not good enough. They should be more present in Germany to advertise the country."* (company K).

Another interviewee adds*:*

> *"I know the basics about the Portuguese market, but of course I do not have the same knowledge as a Portuguese consultant."* (company M).

The proposition is based on the fact that Portugal imports a lot from Germany (The Observatory of Economic Complexity, 2015).

Summed up, this specific investigation between the German and the Portuguese market, shows that there is only little knowledge about the Portuguese market. Proposition four already tackled the issues that Portugal lacks in distributing information and advertising itself. Additionally, in propositions three and four it has already been mentioned that German companies lack in knowledge about Portugal, so this proposition is in line with the answers given in previous propositions.

4.2.6 Existing networks with Portuguese consultancies

Proposition six states that the late occurrence of consultancy services in Portugal, hindered the establishments of networks. This means that Portuguese consultancies are less likely to already have a German partner, which increases the opportunity for a Portuguese consultancy to find a German partner.

The only company which mentioned already having experience with a Portuguese company was company G.

The interviewee:

> *"…already worked with a Portuguese supplier (automotive industry), because a Czech client had this supplier and the supplier had problems with the quality of its product."* (company G).

The proposition, that the late occurrence of the consulting industry, which is mentioned in the literature review (Amorim & Kipping, 1999), slowed down the pace Portuguese companies establish international networks, can be underpinned with this study, as there was no company which has already been in touch with a Portuguese consultancy company. Only one company already did business with a Portuguese company, which was a supplier. This means that there is a lot of space on the German market for Portuguese consultancies and the proposition can be clearly supported. A problem could be that, as mentioned in the three previous propositions, the presence of Portugal on the German market is so weak and the level of information about the Portuguese market obtained by German companies is so low that the German companies do not even consider Portugal as a business partner or refuse a partnership due to lack of knowledge about the country.

5. Conclusion

In this chapter the main conclusions, the limitation of the study and suggestions for further research are made. In the main conclusions the initial research question will be answered and implications concerning the topic will be drawn. The chapter of limitation of the study will inform about background knowledge around the thesis and the suggestions for further research will give ideas for further investigations which came up during working on this study.

5.1 Main conclusions

The overall purpose of this master thesis is to find out the opportunities for partnerships of Portuguese international business management consultancy firms with German companies doing business in the same area. To obtain this target, 54 German consultancy companies operating in international business were approached with a questionnaire, of which thirteen were willing to answer. Next the interviews were analysed with the software “nvivo” and propositions were used to investigate the situation. The following implications result from the discussion of the propositions and stress the contribution of this work.

The result is that Portuguese companies are totally available to establish a partnership with a German consultancy. The German companies on the contrary are less (with 30,78%), but still available for a partnership with a Portuguese consultancy. Moreover, there is lot of space on the market for Portuguese companies, as there are not a lot of networks between German and Portuguese consultancies.

The main results are that the past experience of a company, the strategical fit between the companies, the level of knowledge, the presence of Portugal on the German market and the connection with Brazil has an influence on the availability of German companies to establish a partnership with Portuguese companies.

As topics like the previous experience of a company or the fit of a strategy of individual companies can be influenced in a broader scale, the main suggestions drawn from the results of the investigation target on the issues which can be influenced. Beginning with the fact that German companies lack in knowledge about Portugal and that Portugal has to be more present on the German market and advertise itself. Portugal has to better explain and communicate the potential and opportunities it offers. Concerning this issue official bodies, like the chamber of industry and commerce and embassies should take initiative. The help of governmental organizations is urgently needed, as a lot of companies in Portugal are SMEs, which do not have the necessary funds to advertise and promote itself on the German market, which means that help of powerful organizations is essential to attract German business partners.

Besides using official bodies as a tool to increase knowledge about Portugal, Portuguese companies are advised to commit in search engine marketing, to appear in relevant journals, to be present on trade fairs and congresses and to build up networks. The marketing should be done in an educative way, as the level of knowledge about Portugal is really low. To best target German companies, characteristics like the global importance of the Portuguese language, the relationship about Brazil and Africa, governmental instruments, like "Portugal 2020", the quality of education, and the importance of the consulting sector in Portugal should be highlighted.

This will give German companies the idea that Portugal is full of potential and opportunities and can act as an intermediate between Germany and its former colonies.

Once the knowledge about Portugal is increased in Germany, the opportunity for Portuguese companies is probable to increase sharply.

Portugal should establish its own reputation as a stable and individual country and clearly define and communicate its position in order to counteract possible biases about Portugal.

Moreover, Portuguese managers should clear the situation and develop a strategy how to present Portugal in an attractive way. Therefore, mutual assumptions and expectations should be cleared before a potential German partner is approached.

With the increased marketing and presence on the market, German companies will also get to know that it is usual in Portugal to speak English, which is another need of German companies resulting from the propositions. Additionally, Portuguese companies are advised to have clearly structured and informative websites.

To be an attractive partner a German company has to perceive the partnership with a Portuguese partner as an increase of opportunities. As within this investigation the most demanded issues were the compliance of the companies' strategies, the increase of knowledge in terms of culture, language, business, and mutual benefits, those issues are suggested to be mentioned when approaching a possible German partner. It is advised to do research about the targeted company to be able to adapt the strategy how to approach.

The propositions furthermore give the idea that the geographic location and distance of countries does not matter that much. Also the literature suggests that the model of the gradual internationalisation might not be that relevant anymore (Moen & Servais, 2002). This is why the importance of locations seems less relevant in international business.

To sum up, this situation is comparable to the launch of an innovative product, when customers have to be educated for the success' sake of the product. The product here are Portuguese consultancy services. Portugal needs to educate its future customers, as it disposes of many means which indicate opportunities for international business relations and basically, there are a lot of German companies on the market, which seem open minded about new partnerships, in case they spot an opportunity to improve their current situation. Important is that Portuguese companies choose the right way to approach the German market and clearly define and communicate their intentions.

In the end, this thesis contributed to the state of knowledge and shows that Portugal is a country full of opportunities and potential to establish partnerships with German consultancies, but to its own disadvantage, it seems to keep all this secret.

5.2 Limitation of the study

The limitation of the study is that it investigates the very specific case of the availability of Portuguese and German international business management consultancies establishing partnerships with each other. It is not about a general topic, like exporting, the service sector in general, internationalisation or consultancies. Investigating such a specific case implies limitations.

Additionally, due to the choice of a qualitative research method, the work is personally, interpersonally, politically, ethically, practically, economically, occupationally and rhetorically influenced (Altheide & Johnson, 1994). This means that there is a lot of room

for interpretation for the writer and the reader. Therefore, the topic of this thesis and the given answers during the interviews can be perceived in a different way by every reader and would be expressed in a different way by every writer.
Some barriers and obstacles which would show up later in the process do not show up within this study. For example, potentially interested partners can still face some insuperable and unexpected barriers before a partnership gets real, like stickiness of information or that the range of the service agreed to was not clearly and well communicated, which can be caused by the uniqueness of the sector.
Another point to consider is that we are living in such a fast changing environment and due to the pace technology is developing, even one year can be a long time. Therefore, it is difficult to provide the latest literature and imply the latest insights.

5.3 Suggestions for further research

Related to the main result of the investigation of this thesis, a very relevant research would be about whether Portugal really does not market and advertise itself and why, or if the efforts of marketing are just not showing results within the investigation done for this thesis.
Also the situation about the budget for the marketing of Portugal, how to measure the success of such marketing strategies and how to advertise Portugal in a successful way can be investigated.
Another suggested topic for research would be to find out how it is possible that Brazil is more present on the German market and is perceived as a more interesting business partner to some German companies than Portugal. Therefore, issues like the budget of Brazil to represent itself on the European market and the source of this budget should be found out. Examining that it should be kept in mind, that Brazil has nearly twenty times more inhabitants than Portugal.
One more idea for further research would be an investigation about other countries of the European Union which faced a crisis (Ireland, Spain, Greece) and their opportunities to establish a partnership with a German company.

A further research question could also be how it is possible that German companies export and therefore sell goods and services of a value of $9.6B (The Observatory of Economic Complexity, 2015), while German international business consultancies are not well informed about the Portuguese market.
An idea for further research is to deeper analyse the situation how Portuguese companies are perceived from German companies and therefore find out about the attitude of German companies about Portugal and the Portuguese market.
Furthermore, it could be found out how exactly German companies should be ideally approached and whether the ideal approach depends a lot on differences in industries.
To investigate the topic of this thesis deeper, it could be investigated how this mentioned partnership between a German and a Portuguese consultancy should be designed in better detail to maximize its success.
Last, the situation of other countries concerning the moment of occurrence of consulting services on the market and their opportunities of partnerships with German companies can be investigated and compared to the situation between Portugal and Germany.

6. References

Adams, S. M., & Zanzi, A. (2005). The consulting career in transition: from partnership to corporate. *Career Development International, 10*(4), pp. 325-338.

Agarwal, S., & Ramaswami, S. N. (1991). Choice of Foreign Market Entry Mode: Impact of Ownership, Location and Internalization Factors. *Journal of International Business, 23*(1), pp. 1-27.

Agência para o Desenvolvimento e Coesão, I. P. (2017). *Portugal 2020*. Retrieved March 3, 2017, from Portugal 2020: https://www.portugal2020.pt/Portal2020/o-que-e-o-portugal2020

Altheide, D. L., & Johnson, J. M. (1994). Criteria for Assessing Interpretive Validity in Qualitative Research. In N. K. Denzin, & Y. S. Lincoln, *Handbook of Qualitative Research* (p. 643). London: SAGE Publications, Inc.

Amal, M., Baffour Awuah, G., Raboch, H., & Anderson, S. (2013). Differences and similarities of the internationalization processes of multinational companies from developed and emerging countries. *European Business Review, 25*(5), pp. 411-428.

Amorim, C., & Kipping, M. (1999). Selling Consultancy Services: The Portuguese Case in Historical and Comparative Perspective. (C. U. Press, Ed.) *Business and Economic History, 28*(1), pp. 45-56.

Back, Y., Parboteeah, P., & Dae-il, N. (2014). Innovation in Emerging Markets: The Role of Management Consulting Firms. *Journal of International Management, 20*, pp. 390-405.

Bateson, J. E. (1977, December). Do We Need Service Marketing? *Marketing Consumer Services: New Insights*, pp. 77-115.

Beamish, P. W. (1990). The Internationalisation Process for Smaller Ontario Firms: A Research Agenda. In A. M. Rugman, *Research in Global Strategic Management - International Business Research for the Twenty-First Century: Canada's New Research Agenda* (pp. 77-92). Greenwich: JAI Press Inc.

Berry, L. L. (1980). Service Marketing Is Different. *Business*, pp. 24-29.

Berry, L. L. (2002). Relationship Marketing of Services Perspectives from 1983 and 2000. *1*(1), pp. 59-77.

Bettencourt, L. A., Ostrom, A. L., Brown, S. W., & Roundtree, R. I. (2002). Client co-production in knowledge-intensive business services. *California Management Review, 44*(4), pp. 100-128.

Biswas, S., & Twitchell, D. (2002). *Management consulting: A complete Guide to the Industry* (2nd ed.). New York: Wiley.

Boddewyn, J. J., Baldwin Halbrich, M., & Perr, A. C. (1986). Service Multinationals: Conceptualization, Measurement and Theory. (P. M. Journals, Ed.) *Journal of International Business Studies, 17*(3), pp. 41-57.

Booms, B. H., & Bitner, M. J. (1981). Marketing Strategies and Organization Structures for Service Firms. *Marketing of Services*, pp. 47-51.

Booms, B. H., & Nyquist, J. (1981). Analyzing the Customer/Firm Communication Component of the Service Marketing Mix. *Marketing of Services,* pp. 172-177.

Buono, A. F. (1997). Enhancing strategic partnerships: Intervening in network organizations. *Journal of Organizational Change Management, Vol.10*(3), pp. 251-266.

Cavusgil, S. T., Rammal, H., & Freeman, S. (2011). *International business: the new realities.* Pearson Higher Education AU.

Chase, R. B. (1981). The customer contact approach to services: Theoretical bases and practical extensions. *Operations Research, 29*(4), pp. 698-706.

Chase, R. B., & Tansik, D. A. (1983). The customer contact model for organizational design. *Management Science, 29*(9), pp. 1037-1050.

Chor, D., & Manova, K. (2012, February). Credit Conditions and International Trade during the Global Financial Crisis. *Journal of International Economics, 87*(1), pp. 117-133.

Claessens, M. (2015, March 12). *Principles of Marketing explained: Marketing insider*. Retrieved March 9, 2017, from https://marketing-insider.eu/b2b-market-characteristics/

Coviello, N. E., & Martin, K. A.-M. (1999). Internationalization of Service SMEs: An Integrated Perspective from the Engineering Consulting Sector. (A. M. Association, Ed.) *Journal of International Marketing, 7*(4), pp. 42-66.

Czinkota, M., & Ronkainen, I. (1998). *International Marketing.* Chicago, USA: The Dryden Press.

Davenport , T. H., Thomas, R. J., & Cantrell, S. (2002). The mysterious art and science of knowledge-worker performance. *Sloan Management Review, 44*(1), pp. 23-30.

David, R. J., & Strang, D. (2006). When fashion is fleeting: Transitory collective beliefs and the dynamics of TQM consulting. *Academy of Management Journal, 49*(2), pp. 215-233.

Dearden, J. (1978). Cost Accounting Comes to Service Industries. *Harvard Business Review*(55), pp. 3-21.

Denzin, N. K., & Lincoln, Y. S. (1994). *The SAGE Handbook of Qualitative Research.* London: SAGE Publications, Inc.

Deprey, B., Lloyd-Reason, L., & Ibeh, K. (2012). The internationalisation of small- and medium-sized management consultancies: an exploratory study of key facilitating factors. *The Service Industries Journal, 32*(10), pp. 1609-1621.

Doloreux, D., Shearmur, R., & Laperrière, A. (2015). Is the degree of internationalization associated with the use of knowledge intensive services or with innovation? *International Business Review, 24*, pp. 457-465.

Drucker, P. F. (1999). Knowledge-worker productivity: The biggest challenge. *California Management Review, 41*(2), pp. 79-94.

Dunning, J. H. (1980). Toward an eclectic theory of international production: Some empirical tests. *Journal of International Business Studies, 11*(1), pp. 9-31.

Eisenhardt , K. M., & Bird Schoonhoven, C. (1996, Mar. - Apr.). Resource-Based View of Strategic Alliance Formation: Strategic and Social Effects in Entrepreneurial Firms. *Organization Science, 7*(2), pp. 136-150.

Erramilli, K. M. (1991). The Experience Factor in Foreign Market Entry Behavior of Service Firms. (P. M. Journals, Ed.) *Journal of International Business Studies, 22*(3), pp. 479-501.

European Commission. (2016, May 18). *European Commission*. Retrieved October 17, 2016, from European Commission: http://ec.europa.eu/europe2020/europe-2020-in-your-country/portugal/country-specific-recommendations/index_en.htm

Figueira de Lemos, F., & Johanson, J. (2013). Risk Management in the Internationalization Process of the Firm: A Note on the Uppsala Model. *Journal of World Business*, pp. 1-12.

Fischer, C., & Wertz, F. (1975). Empirical phenomenological analysis of being criminally victimized. In A. Giorgi, *Phenomenology and psychological research* (pp. 135-158). Pittsburgh: PA: Duquesne University Press.

Fletcher, M., & Harris , S. (2012). Knowledge acquisition for the internationalization of the smaller firm: Content and sources Margaret. *International Business Review, 21*, pp. 631-647.

Friman, M., Gärling, T., Millett, B., Mattssonn, J., & Johnston, R. (2002). An analysis of international business-to-business relationships based on the Commitment–Trust theory. *Industrial Marketing Management*(31), pp. 403-409.

Grönroos, C. (2016). Internationalization strategies for services: a retrospective. *Journal of Services Marketing, 30*(2), pp. 129-132.

Grossman, S. J., & Hart, O. D. (1986). The costs and benefits of ownership: A theory of vertical and lateral integration. *Journal of Political Economy, 94*(4), pp. 691-719.

Hofstede, G. (1980). *Culture's Consequences – International Differences in Work Related Values.* London: Sage. Retrieved February 2017, from https://geert-hofstede.com/germany.html

Hofstede, G. (2017, February 20). *Geert Hofstede*. Retrieved February 20, 2017, from https://geert-hofstede.com/cultural-dimensions.html

House, R. (2004). *Globe: Global Leadership & Organizational Behavior Effectiveness*. Retrieved March 16, 2017, from http://globeproject.com/study_2004_2007

Investopedia, LLC. (2017). *Investopedia*. Retrieved April 26, 2017, from http://www.investopedia.com/terms/b/btob.asp

Jacobson, N. D., Butterill, D., & Goering, P. (2005). Consulting as a strategy for knowledge transfer. *Millbank Quarterly, 83*(2), pp. 299-321.

Johanson, J., & Mattson, L. (1988). Internationalization in Industrial Systems: A network aproach. In N. Hood, & J. Vahlne, *Strategies in Global Competition.* London: Croom Helm.

Johanson, J., & Vahlne, J. -E. (1990). The mechanism of internationalization. *International Marketing Review, 7*(4), pp. 11-24.

Judd, R. C. (1968). Similarities or Differences in Products and Service Retailing. *Journal of Retailing*, pp. 1-9.

Kellogg, D. L., & Chase, R. B. (1995). Management Science. *Constructing an empirically derived measure for customer contact, 41*(11), pp. 1734-1749.

Kinch, N. (1992). Entering a tightly structured network – strategic visions or network realities. In M. F. Johanson, *Managing networks in international business* (pp. 194-214). Philadelphia: Gordon and Breach.

Kraus, S., Ambos, T., Eggers, F., & Cesinger, B. (2015). Distance and perceptions of risk in internationalization decisions. *Journal of Business Research*, pp. 1-5.

Langeard, E., Bateson, J. E., Lovelock, C., & Eiglier, P. (1981). Service Marketing: New Insights from Consumer and Managers.

Leonidou, L. (1995). Empirical research on export barriers: review, assessment, and synthesis. *Journal of International Marketing, 3*(1), pp. 29-43.

Leonidou, L. (1998). Factor stimulating export business: An empirical investigation. *Journal of Applied Business Research*, *14*(2), pp. 97-116.

Leonidou, L. (2000). Barriers to export management: an organizational and internationalization analysis. *Journal of International Management, 6*, pp. 121-148.

Leonidou, L. (2004). An Analysis of the Barriers Hindering Small Business Export Development. *Journal of Small Business Management*, *42*(3), pp. 279-302.

Lovelock, C. H. (1981). Why Marketing Management Needs To Be Different for Services. *Marketing of Services*, pp. 5-9.

Lovelock, C. H. (1983). Classifying Services to Gain Strategic Marketing Insights. *Journal of Marketing*, *47*(3), pp. 9-20.

Lovelock, C. H., & Young, R. F. (1979). Look to consumers to increase productivity. *Harvard Business Review, 53*(7), pp. 168-178.

Maister, D. H. (2002). Professionalism in consulting. In L. Greiner, & F. Poulfelt, *Handbook of Management Consulting: The Contemporary Consultant* (pp. 23-34). Mason: Thomson South-Wester.

Mersha, T. (1990). Enhancing the customer contact model. *Journal Operational Management, 9*(3), pp. 391-405.

Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook.* Newbury Park: CA: Sage.

Miles, M. B., & Hubermann, A. M. (1984). *Qualitative data analysis: A sourcebook of new methods.* Newbury Park: CA: Sage.

Moen, Ø., & Servais, P. (2002). Born Global or Gradual Global? Examining the Export Behavior of Small and Medium-Sized Enterprises. (A. M. Association, Ed.) *Journal of International Marketing, 10*(3), pp. 49-72.

Moorthi, Y. L. (2002). An approach to branding services. *Journal of Services Marketing, 16*(3), pp. 259-276.

Moreira, M., Maia, M., Sousa, P., & Meneses, R. (2010). Factors Influencing the Internationalization of Services Firms: The Case of Design, Engineering and Architecture Consulting Firms. Faculty of Economics, Universidade do Porto.

Morgan, R. M., & Hunt, S. D. (1994). The Commitment–Trust Theory of Relationship Marketing. *Journal of Marketing, 58*, pp. 20-38.

Nordström. (1991). The internationalisation process of the firm. *Thesis PhD. Institute of International Business*. Sweden: Stockholm School of Economics.

Ohmae, K. (1989, March-April). Globalization makes alliances an essential tool for serving customers. The Global Logic of Strategic Alliances. *Harvard Business Review*, pp. 143-154.

Ojasalo, J. (2010). Barriers to Internationalization of B-to-B- Services. *COMATIA'10 Proceedings of the 2010 international conference on Communication and management in technological innovation and academic globalization* (pp. 39-45). Tenerife: World Scientific and Engineering Academy and Society (WSEAS).

Onkvisit, S., & Shaw, J. (1997). *International marketing: analysis and strategy.* USA: MacMillan Publishing Company.

Phillips McDougall, P., Shane, S., & Oviatt, B. M. (1994). Explaining the formation of international new ventures: the limits of theories from international business research. *Journal of Business Venturing*, pp. 469-487.

Pietrasieński , P., & Ślusarczyk, B. (2015). Internationalization of small and medium enterprises - empirical research review on barriers to entry into foreign markets. *Polish journal of management studies, 11*(1), pp. 113-123.

Pinto, R. (2017, January 18). *The relationship between Portugal and Brazil*. Retrieved April 13, 2017, from http://www.multicargo.pt/blog-en/linking-brazil-to-portugal

Piscitello, L., & Sgobbi, F. (2003). SMEs in the new economy – evidence from selected Italian districts. *Competition and Change, 7*(1), pp. 61-78.

Porter, M. E. (1990). *The competitive advantage of nations.* London: Macmillon.

Rathmell, J. M. (1974). *Marketing in the Services Sector.* Cambridge: Winthrop.

Rauch, J. E. (2001). Business and Social Networks in International Trade. *Journal of Economic Literature, 39*(4), pp. 1177-1203.

Santos, V., & García, T. (2011). Business motivation and informational needs in internationalization. *Journal of International Entrepreneurship*, pp. 195-212.

Sarathy, R., & Terpstra, V. (1997). *International marketing.* Chicago, USA: Harcourt College Publishers.

Sarvary, M. (1999). Knowledge management and competition in the consulting industry. *California Management Review, 41*(2), pp. 95-107.

Sasser, E. W. (1976). Match Supply and Demand in Service Industries. *Harvard Business Review*, pp. 133-140.

Sasser, E. W., Olsen, P., & Wyckoff, D. D. (1978). *Management of Service Operations.* Boston: Harvard University. Graduate School of Business Administration.

Serra, F., Pointon, J., & Abdou, H. (2012). Factors influencing the propensity to export: A study of UK and Portuguese textile firms. *International Business Review*(21), pp. 210-224.

Skjølsvik, T., Løwendahl, B. R., & Kvålshaugen, S. (2007). Choosing to learn and learning to choose: Strategies for client co-production and knowledge development. *California Management Review, 49*(3), pp. 110-128.

Statistisches Bundesamt. (2016). *Statista*. Retrieved March 6, 2017, from https://www.statista.com/statistics/295519/germany-share-of-economic-sectors-in-gross-domestic-product/

Szulanski, G. (2000). The process of knowledge transfer: A diachronic analysis of stickiness. *Organizational Behaviour of Human Decision Processes, 82*(1), pp. 9-27.

Thanasuta, K. (2009). Brand and country of origin valuation of automobiles. *Asia Pacific Journal of Marketing and Logistics, 21*(3), pp. 355-375.

The Central Intelligence Agency. (2016a, February 26). *The Central Intelligence Agency*. Retrieved March 27, 2017, from The World Factbook: https://www.cia.gov/library/publications/the-world-factbook/geos/ao.html

The Central Intelligence Agency. (2016b, February 26). *The Central Intelligence Agency*. Retrieved March 30, 2017, from The World Factbook: https://www.cia.gov/library/publications/the-world-factbook/geos/br.html

The Central Intelligence Agency. (2016c, February 26). *The Central Intelligence Agency*. Retrieved March 27, 2017, from The World Factbook: https://www.cia.gov/library/publications/the-world-factbook/geos/gm.html

The Central Intelligence Agency. (2016d, February 26). Retrieved March 22, 2017, from The Central Intelligence Agency: https://www.cia.gov/library/publications/the-world-factbook/geos/mz.html

The Central Intelligence Agency. (2016e, February 26). *The Central Intelligence Agency*. Retrieved March 30, 2017, from The World Factbook: https://www.cia.gov/library/publications/the-world-factbook/geos/po.html

The Observatory of Economic Complexity. (2010). *The Observatory of Economic Complexity* . Retrieved October 20, 2016, from The Observatory of Economic Complexity : http://atlas.media.mit.edu/en/profile/country/deu/

The Observatory of Economic Complexity. (2015). *The Observatory of Economic Complexity*. Retrieved March 01, 2017, from http://atlas.media.mit.edu/en/profile/country/prt/

Thomas, D. R. (1978). Strategy Is Different in Service Business. *Harvard Business Review*, pp. 158-165.

Tomás, A. (2015, May 11). *The Angola-Portugal connection: a relationship of mutual dependency*. Retrieved May 18, 2017, from https://thisisafrica.me/angola-portugal-connection-relationship-mutual-dependency/

Upah, G. D. (1980). Mass Marketign in Service Retailing: A Review and Synthesis of Major Methods. *Journal of Retailing*, pp. 59-76.

Von Hippel, E. (1994). “Sticky information” and the locus of problem solving: Implications for innovation. *Management Science, 40*(4), pp. 429-439.

Von Hippel, E. (1998). Economics of product development by users: The impact of “sticky” local information. *Management Science, 44*(5), pp. 629-644.

WebFinance Inc. (2016). *BusinessDictionary.com*. Retrieved November 29, 2016, from management consulting: http://www.businessdictionary.com/definition/management-consulting.html

WebFinance Inc.,. (2017). *BusinessDictionary*. Retrieved May 19, 2017, from http://www.businessdictionary.com/definition/international-business.html

Whipple, J. M., & Frankel, R. (2000). Strategic Alliance Success Factors. *Journal of Supply Chain Management, 36*(2), pp. 21-28.

Xue, M., & Field, J. M. (2008). Service Coproduction with Information Stickiness and Incomplete Contracts: Implications for Consulting Services Design. *Production and Operations Management Society, 17*(3), pp. 357-372.

Yu, D., Lau, C., & Bruton, G. (2007). International venturing by emerging economies firm: the effects of firm capabilities, home country networks, and corporate entrepreneurship. *Journal of International Business Studies, 38*, pp. 519-540.

Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1985). Problems and Strategies in Services Marketing. *Journal of Marketing, 49*(2), pp. 33-46.

7. Appendices

Following there is the translated guideline for the interviews with the German consultancies.

<u>ABOUT YOUR INTERNATIONAL ACTIVITIES</u>

According to your homepage you work internationally.

In which countries do you operate and since when?

How do you do business internationally? (e.g. partnerships, branches abroad)?

Why is it attractive for you to internationalise? Which opportunities/ chances do you see in partnerships?

Which opportunities/ chances do you see in partnerships?

Did your acts of internationalisation fulfil your expectations?

o very	**o rather yes**	**o rather not**	**o no**

Please explain your answer:

What is important when establishing an international partnership?

What could international business consultancies do to appear as an attractive partner for German management consultancies?

<u>ABOUT THE PORTUGUESE MARKET</u>

Would you be interested in a Portuguese partner (other international business consultancy firm), to enlarge your international network?

o yes	**o rather yes**	**o rather not**	**o no**

If (rather)not: Why not? What has to change that you would be interested into a Portuguese partner?

If (rather) yes: Why seems a Portuguese partner attractive to you? Which chances/opportunities do you see? What would you expect from a Portuguese partner?

How well do you feel informed about the Portuguese market?

o very well	**o well**	**o not that well**	**o not well**

If you feel informed not (that) well, in which information do you lack?

What could Portuguese companies do to appear more attractive to the German market?

Are you interested in a cooperation/ branch/ network with companies in a former Portuguese territory, like Brazil, Angola or Mozambique?

o yes	**o rather yes**	**o rather not**	**o no**

If (rather) not: Why not? What has to change that you would be interested?

If (rather) yes: In which countries? Why do you think it would be attractive for you? Which opportunities/ chances do you see? What would you expect from such a partner?

<u>GENERAL INFORMATION ABOUT THE COMPANY</u>

What is your position in the company?

Since when does the company exist?

How many employees do you have?

Where is its headquarter?

Which services do you offer to your customers?

Which languages do you speak in business?

Which kind of customers do you mainly have?

o private customers **o individual business** **o SME (<250 employees)**

o big companies (>250 employees) **o _______________**

From which countries are your customers who want to internationalise mainly from?

To which countries do they want to expand?

Following the guideline for the exploratory interviews with the Portuguese consultancies are given.

<u>ABOUT YOUR INTERNATIONAL ACTIVITIES</u>

According to your homepage you work internationally.

In which countries do you operate? Since when?

How do you do business internationally? (e.g. partnerships, branches abroad)?

Why is it attractive for you to internationalise? Which opportunities/ chances do you see in partnerships?

Did your acts of internationalisation fulfil your expectations?

o very o rather yes o rather not o no

Please explain your answer:

What is important when establishing an international partnership?

What could international business consultancies do to appear as an attractive partner for Portuguese management consultancies?

<u>ABOUT THE GERMAN MARKET</u>

Would you be interested in a German partner (other international business consultancy firm), to enlarge your international network?

o yes o rather yes o rather not o no

If (rather)not: Why not? What has to change that you would be interested into a German partner?

If (rather) yes: Why seems a German partner attractive to you? Which chances/opportunities do you see? What would you expect from a German partner?

How well do you feel informed about the German market?

o very well o well o not that well o not well

If you feel informed not (that) well, in which information do you lack?

What could German companies do to appear more attractive to the Portuguese market?

<u>GENERAL INFORMATION ABOUT THE COMPANY</u>

What is your position in the company?

Since when does the company exist?

How many employees do you have?

Where is its headquarter?

Which services do you offer to your customers?

Which languages do you speak in business?

Which kind of customers do you mainly have?

o private customers **o individual business** **o SME (<250 employees)**

o big companies (>250 employees) **o _______________**

From which countries are your customers who want to internationalise mainly from?

To which countries do they want to expand?