

**Market Entry Study to Renewables Energy sector in Abu Dhabi:
from a local business consultant's perspective**

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<p>Global warming has been in the front frame among the countries globally and, recently in December 2023, COP28 in Dubai was concluded by a historical agreement between the participating countries. The phenomena of decarbonizing have brought several new transaction opportunities for foreign firms, many aiming to a successful market entry to United Arab Emirates.</p> <p>BC is a business consultancy service provider firm operating in Abu Dhabi – UAE. BC focuses on providing strategic market entry consultation for foreign companies aiming to enter the UAE market. Company X is a renewables energy (RE) equipment and solutions provider firm, seeking to enter the UAE market by the support of BC, targeting the local public sector, and negotiating and deciding a favourable market entry mode.</p> <p>This is a case study that is conducted by qualitative research method and supported by phenomena's public documents about renewables energy industry information. The aim was to research how BC can support Company X in market entry mode and decision-making processes, and what is needed to know when approaching the UAE market in internationalization context. This study is a three-tier framework, that focuses on BC's strategic aspects, Company X's market entry process, and on the UAE's institutional attributes. This internationalization case is about how these tiers interconnect to each other and what is required for a potentially successful market entry project.</p> <p>Literature was searched and reviewed from institutional context, such as; informal and formal institutional issues, including cultural context. Market entry and internationalization literature combines the biggest number of sources, and third part was sourced from business consultancy, organizations' knowledge capital and information management content.</p> <p>Research methodology consist of five qualitative semi-structured interviews of experienced senior international management consultants, that provides the empirical part for the research findings with the reviewed literature.</p> <p>The findings and results of this paper suggests Company X's market entry mode and its required process, how the parties' relationships affect to each other and what dynamics and institutional factors play role in the international market entry context. BC's role and scope of works have been elaborated thoroughly and this study as a whole proposes considerations for BC's future strategic development as an organization.</p>	
Key words Internationalization, renewables energy sector, business and management consultancy, market entry mode, market entry process, local agent, institutional theory, business consultant's value creation, United Arab Emirates, Abu Dhabi	

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1 Introduction

Renewables energy (“**RE**”) production and its different technologies’ development is currently emerging around the globe due to climate change, nature damage, over carbonized energy production and consumption of fossil fuels. Decarbonizing policies, government budgets and 2030 RE roadmap, for example, for solar power, waste-to-energy, electric vehicles and green hydrogen have been announced in the United Arab Emirates (“**UAE**”). First contracts have already been awarded for specific service providers and consultancy firms. In this regard, a local business consultancy firm (“**BC**”) is seeking a new market approach and strategize its focus onto the RE market by representing a foreign firm (“**MNC**”) as its client (“**Company X**”).

The commissioner of this report is the BC, located in Abu Dhabi – UAE, specialized in commercial advisory, consultancy and local agency services for foreign firms. The mission and objective of this study is to provide a better understanding of how BC can support Company X in market entry process and what are required by BC and MNC for a successful market entry. The end goal is to propose a market entry mode process based on BC’s and Company X’s mutual collaboration. The study aims to define the necessary phases in a foreign market entry process, and to provide the latest information of the required procedures, including institutional factors.

United Arab Emirates, as described later on, is an attractive country for foreign investments (direct and indirect) due to its emerging markets and geographical location, which provides many business opportunities for foreign firms. There have been previous researches for UAE market entry subject. Theseus.fi -website provides 45 different Master’s thesis results, both BBA and MBA degrees published between 2007-2023, by using the key words ‘United Arab Emirates’, ‘market entry’, ‘case study’. Many of the studies are aimed for a specific company desiring to enter into the UAE’s market, or the works are market researches or handbooks of the UAE (Hellgren 2018; Muntaser 2020). Results consist challenges in the area due to distance, institutional and cultural differences (Gutorm 2014), although the environment and government is generally considered welcoming and favorable for a foreign firm (Rasanen 2010). Some found the entry to the country easier compared to other large international cities (Elrawy 2022). For market entry strategies, some works finds the market entry being dependent of a firms’ internal and external resources and factors (Albergaria 2012). Google Scholar search engine provides 118,000

different results for 'United Arab Emirates market entry' search, and for 'United Arab Emirates business consultancy' 30,900 results, but similar type of case studies to this paper are hard to find.

Personally, the topic of this development work plays significant role in my current position in BC, which is to develop the way how the business is conducted and to seek new and effective ways of operation and processes. Considering the state of global carbon footprint battle, this task is ethically necessary and valid, both personally and for BC. It is not only to state and analyze an economical opportunity, but it is also about a personal mission to find out and study a way how BC could transform its operations into RE market, while providing essential recent information for foreign firms' those considering a market entry in the UAE. This report's framework will try to suit and focus on BC's objectives, which is, compared to common market entry studies made and focused on the UAE market entry, different to the previous studies that are mainly focused on the foreign firms' market entry point of view. This study focuses on the BC's role as a local consultant to foreign firms and at the same time BC's re-strategizing its operations.

During writing this, business opportunities around sustainable energy industry and the "race" among the different service and equipment providers in the field has begun locally and, in the region, too (Gulf Co-operative Countries – GCC). The industry most likely will have many market disruptors within a couple of years and the technologies will develop rapidly and new suppliers will be introduced to the industry. (IRENA REmap 2030, 2015; Reuters 7.10.2021)

The above-mentioned, the nature and the magnitude of project opportunities in RE field, enable and it is assumed that BC could re-strategize and adapt to the current market situation. In other words, this report is a development work of BC's vision related to renewables energy market in oil and gas port-era. BC's vision is to be a preferred business partner for a MNC, that successfully shall penetrate the RE market in long-term business basis. In more detail, the aim is to research and study how to improve and utilize BC's knowledge, to increase the understanding of the factors affecting strategic decision making supporting and improving successful market entries, and how to develop internal processes those affecting to BC's customer service and its profitability.

The structure and content of the report I begin by introducing and defining the BC and report's objectives and research questions. The general structure was first to conduct a liter-

ature review of different market entry modes, institutional theory including the local culture, and of business consultancy and its meaning. The organization strategy and knowledge management were studied briefly to increase the understanding of BC's operation and the nature of its activities. Literature review is followed by a proposed theoretical framework, that constitutes the focus of this work. The report then continues to introduce and elaborate the research methodology and its approach, which is followed by the data collection and analysis, which forms the findings and results to the study together with the theory. Report is concluded by the conclusion chapter and discussion part, which aims to recognize and suggest future research possibilities and the meaning of this paper to the readers.

2 Background and UAE description

BC is an industry free business consultancy firm established in 2009, which belongs to a local family-owned investment group (“family office” as it is called in UAE) employing less than 100 employees, which of six are working on permanent basis for BC’s projects as consultants, business developers, finance specialist or in the management of BC. In the past BC has participated in different projects in healthcare, oil and gas, construction, education and technology sectors as a local advisory service provider and exclusive representative for different foreign firms.

BC’s operations are taken place mainly in Abu Dhabi’s public sector, but it also has some previous experience in the region of other GCC countries, too. BC’s core expertise and services are commercial advisory, the mission is to support its clients in their market entry, including but not limited to establishment and local legal duties, business development, creation of partnerships and other collaboration models, and general commercial advisory and negotiation services. BC also provides financing and different transaction consultancy services.

By the time writing this, BC is negotiating and entering into an agreement with Company X. The aim of the agreement is to sign an exclusive basis representative and commercial agreement focusing on the UAE market entry process, RE market entry due-diligence and commercial support services. The parties are expected to mutually agree the target clients in Abu Dhabi.

The United Arab Emirates (U.A.E.) is an Islamic state consisting of seven Emirates, Abu Dhabi being the largest emirate and the capital of the country. U.A.E. is a constitutional federation established in 1971, led by the Sheikh Al Nahyan family (UAE Government portal 2022).

The population of the U.A.E. is circa 10 million, and the population growth has been rapid which of highest spike was between 2005-2010 when the population almost doubled from four to eight million people, and annual average growth rate being 5-15% / year. (Worldometer 2022). The population in Abu Dhabi, in 2016, was recorded as 2,9 million of which Emiratis amount being 550,000 (UAE Government portal 2022). 20% of the population are local Emiratis and rest of the residents are mostly from South and East Asia, Middle-East and African countries, but includes also residents from the western countries, too (World Trade Press 2010, 10). Emiratis in Abu Dhabi work mainly in public sector weekdays between 7am.-3pm., but also many of the locals establish so called family offices

(private sector firms) for the purpose of personal investments, local service ventures, direct foreign investment and other business purposes such as, companies' representation and agency services (such as BC).

Recently, in 2020, Abu Dhabi announced a new resolution on foreign ownership of economic activities. The resolution allowing foreign entities to establish companies locally with 100% full ownership. Therefore, a local Emirati sponsor is no longer required for foreign firms. The purpose of the decision is to attract more foreign direct investments and to promote more flexible terms for the business environment and specially to boost the private sector economy. (Department of Economic Development 2022).

Abu Dhabi provides also seven different free-zones for more flexible market entry and company establishments. Free-zones are specialized in technology, media, industrial, start-up and logistics and transportation fields. Many of the free-zones attract foreign firms by offering them different incentive plans and support in several different business processes against a specific agreement/s (Abu Dhabi Investment Office 2022; HUB71 2022).

3 Research objectives and delimitations

The objectives of this study are to provide the following information:

1. **to increase the understanding on how to enter the renewable energy market in the UAE, and**
2. **to explore how a business consulting company can support a foreign RE company in entering the renewable energy market in the UAE**

As a result, and new learnings of this thesis is to have increased understanding of market entry mode strategies, local legislation, local culture, and status of RE market. From BC point of view, different approaches of how to address a new green energy project to Company X and ways of working in the new market are integral part of this paper, too. This development work aims to provide valuable information also to other companies that wishes to enter the UAE market. To understand and learn about the role of a local business consultant, the common options for commercial formula principles, and as well to learn about different agreements involved between different parties.

Based on the objectives and delimitations this study aims to provide answers to the following research questions.

Question 1.: What are the requirements and different strategic options for a successful RE market entry in Abu Dhabi, and how a business consultancy firm can support in this process?

Question 2.: What is needed to understand and to know when entering to Abu Dhabi market? (Institutional factors)

This thesis excludes studies or analysis of the ultimate business target of the BC i.e., the local end client contract award to Company X, and the after-sales and operation and maintenance phase, too. The reason is due to the fact that BC's scope is to provide its consultancy service to Company X's market entry, business development, pre-tendering phases, and contractual works.

What comes to time related delimitation, in larger projects the timeframe between first phase of business development i.e., identifying an opportunity or need, and between the contract award and its implementation can often vary between one to three years. Detailed commercial and / or budgeting related studies have been left out due to confidentiality. However, some contractual principles that apply in BC's policy and generally in local service agent's activities in the UAE, will be elaborated at further stage in this paper. The

purpose is to provide readers an understanding about what are the common commercial collaboration contractual models.

Renewable energy sector often applies to the whole UAE when it comes to official documentation of news, articles and reports. However, due to BC's market area the focus in this study is on Abu Dhabi. In other words, it is more viable to delimit the region in this work to Abu Dhabi and its renewables energy sector only.

4 Literature review

Green energy market in the UAE has various official announcements, articles, reports and news that are integral part of this case study (Reuters 19.1.2022). This market as a new opportunity creates the phenomena and basis for the framework (2.1) and literature review. Phenomena's information and facts are based mainly on official published documents. These documents will be referred to time-to-time in this paper.

The review consists literature and theories of the essential topics of the three main areas of this study. At first, market entry modes are reviewed, separated with the U.A.E. market entry section. Market entry part forms the basis of the market entrée i.e., Company X's framework. Institutional theory follows the market entry section, as a supporting theory to market entry theory. After Institutional theory, the review focuses on business consultancy theory, which is integral part of the study to understand the key attributes and the nature of business consultancy. The last section of the review consists the phenomena, which is explained as per the announced public information, news, articles and other documentation.

The areas of the review shall then collectively form a proposed theoretical framework, that functions as a base for the research section of the study.

4.1 Market Entry Modes

Albaum (2016, 279) has defined an international market entry mode being an institutional arrangement essential for the entry of a firms' products, technology, and human and financial capital into a foreign country/market. This has a meaning to the international marketer; that is different entry modes represent varying levels of control, commitment, involvement, and risk.

Market entry is a business activity of a company, after strategic growth decision to expand its activities across their national boundaries, to promote and sell its products or services in a new territory and market. The firms' management selects with whom and where the future transactions would take place. The modalities of this operation are called as 'market entry strategy' or synonymously 'market entry mode'. This act refers to organizational or institutional arrangement to target its business activities into a foreign market (Glovik

2016, 130-131). Successful implementation of internationalization process depends significantly on appropriate market research, SWOT and other analysis such as, cultural, socio-economic, political, and variables in foreign exchange rate. (Pushpa 2021, 91)

Albaum (2016, 271) has stated the market entry strategy requirement as following;

“A market entry strategy consists of an entry mode and a marketing plan. The mode of entry is what is used to penetrate a target country while the foreign marketing plan is used to penetrate a target market”. (Albaum 2016, 271)

As a comparison to above, Schellenberg (2018, 2-3) and, Sharma and Erramilli (2004, 2) describe market entry mode as a structural agreement, that allows a company to implement its product or service market strategy in a host country either by carrying out only marketing operations (i.e., via export modes) or both production and marketing operations there by itself or in a partnership with others (contractual modes, joint venture, wholly owned operations).

Mode of foreign companies' entries to new countries have been analysed and studied several decades as internalization theory, and based on Schellenberg's et al. (2017, 1-3) critical literature review they find five key market entry modes theories that have been applied by the companies, those being; Institutional theory, Transaction Cost Approach, the Uppsala Internationalisation Model, the Resource Based View (RBV), and the Eclectic Paradigm. RBV interconnects to the theory of organizations' knowledge capital, information management and leadership, whereby internationalization process may depend on factors of what type knowledge an organization has, how it is managed, and how these resources are led in order to seek and implement a successful internationalization project (Stenberg 2012; Ojala 2008).

Hollensen (2016, 344) explains different entry modes (**Figure 1.**) and their pros and cons. The hierarchical mode (own subsidiary) is the one that has most control for the company, but it requires investment and is less flexible, and therefore considered as high risk operation. Choosing a local distributor or an agent has less risk and financial involvement, but the control over the local agent is weak and can cause conflicts. Joint venture is called as intermediate mode of the examples, because it has shared financial risk and often the scope of work of the parties is split equally, too. (Hollensen, 2016, 343-345)

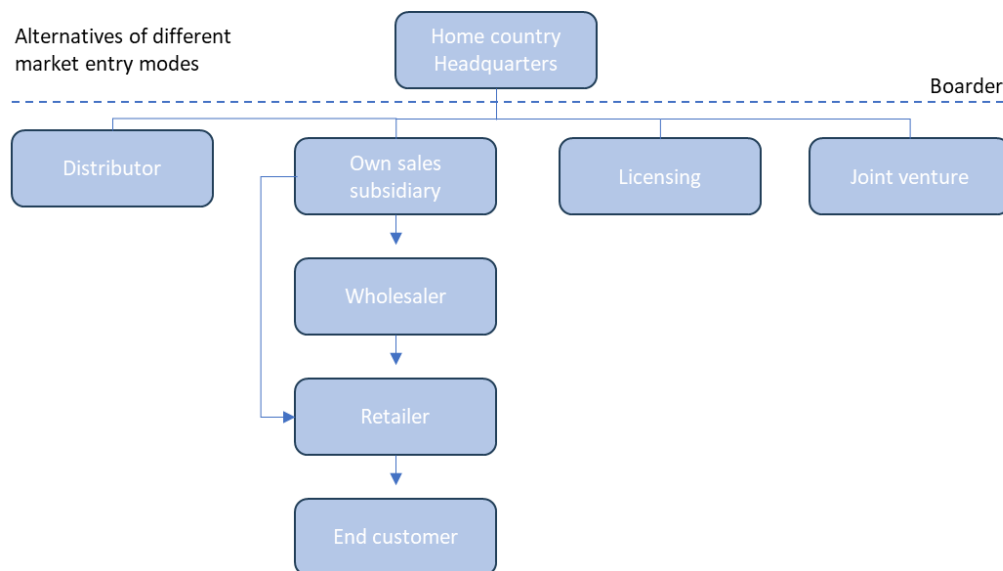


Figure 1. Deciding between different alternatives of market entry modes (Hollensen 2016, 344)

Entry mode can be classified based on a company's desired level of control in a host country. Transaction Cost theory reflects to the degree of level of control of the market entrée company, i.e., the more control the company wishes to retain, the more it costs (e.g., Wholly-owned Subsidiary), and vice versa (Anderson and Gatignon 1986, 3-4). Anderson and Gatignon (1986, 5) in the same analysis and proposition suggest in total of 17 different entry modes based on the level of control; Low-level control is retained when a company has a minor shareholding in host country or a non-exclusive distribution agreement, and medium-level control can be achieved by entering into equal partnership in the host country's party, franchise agreement or e.g., exclusive restrictive distribution agreement. However, the analysis does not mention a private local agent's agreements.

Eclectic Paradigm is used in global business and internationalization context as a method to analyse foreign direct investments and its attractiveness (Cantwell and Narula 2001, 155-172). It is a three-tiered framework that takes into consideration the level of ownership, location and internationalization, also called "OLI - framework" (Dunning and Lundan 2008, 580) Its purpose is to define and determine the likelihood of foreign investment proceedings, that is, to what extent, for example, the host country's production would be undertaken by foreign parties. In OLI (Ownership, Location, Internalization) framework the ownership is considered as most challenging, whereby it is suggested (Dunning and Lundan 2008, 580) the ownership to be analysed by host country's Institutions (Oi), Assets (Oa), and Transaction (Ot).

Entry modes are widely researched, for example, in internationalizing, global marketing, and market entry strategies literature. Several factors affect in what literature is relevant to this report. The question of; 'What services and products are intended to enter the market?', affects significantly due to the fact the market entry plan is for industrial equipment and subsequently for possible technology transfer (localization) as well and that will affect to market entry strategy. In general, Hoekman and Javorcik (2006, 185) claims that a company's foreign investment is a major channel of technology transfer to developing countries and the transfer should function as a driver to the economy growth by spill overs of the knowledge and technology that is brought to a new country. Technology transfer as a form of Joint venture with a target country's party is considered less attractive in cases where the company has high-end and unique (disruptive) technology assets, so in these cases the company may consider a fully owned subsidiary establishment to secure the quality of the production, keep the transaction cost lower, and to protect the trademark (Hoekman and Javorcik 2006, 207). Other than that, a company's status and size of the company play a role, too. Startups have different strategy based on limited resources, versus MNC that can often invest directly to a new target country. Other significant factors, such as; company's experience, market demand, competition and its intensity affect to chosen entry mode and its strategy, too. (Hollensen 2020, 318-322)

Availability of the theories are often conducted by quantitative researches. However, for example, Rogmans (2013, 193-194) states that based on the qualitative interviews he found four main attributes regarding the decision-making process in internationalizing process, those being Market attractiveness, environmental risk, transaction costs, and legally available operation modes to a foreign investor.

In his literature review, Schellenberg et al. (2018, 1) claim there is a lack of scholar and studies of the market entries' decision-making process, while Rogmans (2013, 194) study focuses on the entry mode decision-making process based on the Figure 2. attributes. The figure describes the market attractiveness (X-axis) ratio versus Institutional / Environmental factors in the risk context (Y-axis). Based on the ratio, figure explains the proposed (feasible and non-risky) contracts or different form of market entry mode. As an example, in case of high-risk environment together with low demand in the market there is no proposed entry mode at all, naturally. In vice versa scenario, whereby the market has high demand and the institutional factors are favourable (ease of conducting business, less legal complexity, lack of culture collision, and so forth), all different entry modes could be considered without a major risk. Everything in between, and in case Transaction cost (TC) is high, it suggests Joint venture as an entry mode. And, if, TC is low, the proposition is the licensing mode.

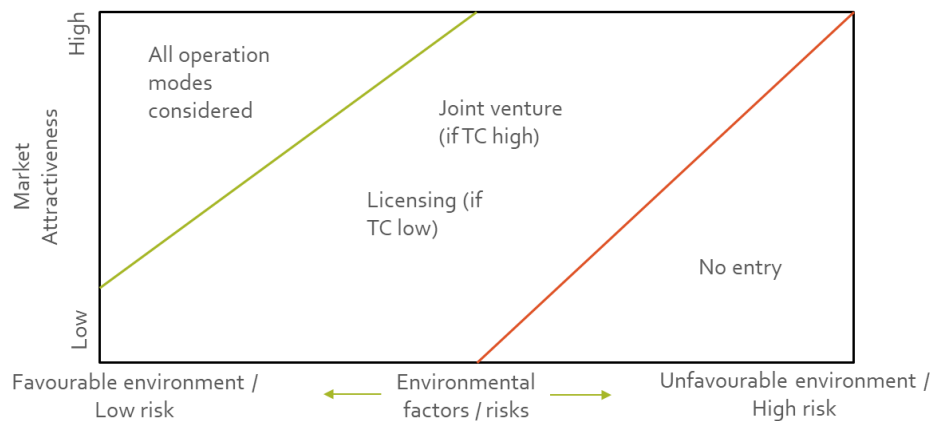


Figure 2. Location and operations mode decisions (Rogmans 2013, 194)

Comparison to Figure 2. Sharma et al. (2004, 1-3) has studied RBV, which means company's focus on "inside-out" thinking, not "outside-in" focus. Company's focus in RBV internationalization theory lies in targeting of achieving 'monopolistic advantage' in the host country and the entry mode decision can partly be made based on company's knowledge capital, experience and information management (Stenberg 2023). For example, the more unique a firm's technology is, the more the firm would achieve in the host country.

Company X is a MNC focusing on both RE services and equipment products delivery and it has previous international exposure. Assuming, that these factors affect company's entry mode strategic decisions, as mature firms may have interest in approaching new market more aggressively compared to a small enterprise or start-up for instance.

According to Mellahi and Surdu (2016, 1169) the foreign market entry mode literature has been categorized as non-equity-based modes such as exports and contractual agreements, which is considered as low risk entry mode, and equity-based modes which include wholly-owned operations and equity. More accurate options are provided by Pan and Tse (2000, 538), as non-equity options include direct and indirect export, licensing, research and development, and alliances entry modes. Equity entry mode options are as equity joint venture, and wholly-owned subsidiary as form of acquisition or greenfield.

In international business context, DiMaggio and Powell (1983) developed an Isomorphism concept, that helps explaining the tendency for organisations within a similar field to match with same behaviours and to try to become increasingly similar to each other in terms of organization's internal processes and structure. What makes the above paragraph interesting, is the isomorphic (DiMaggio and Powell 1983, 149) levels based on the entry

mode; Davis et al. (2000, 239) studies' results define that those companies establishing a wholly-owned subsidiary faces high level of internal isomorphism, and the companies using e.g., joint ventures, licensing or exporting modes, faces high levels of external isomorphism. However, the companies practicing a multiple or mixed-use of entry modes experiences low level of isomorphic pressures. Depending on a company's business units and its managers, the study (Davis et al. 2000, 252) explains that, when a company's business units are highly influenced by the parent company, those companies often tend to choose wholly owned entry strategy, and the ones influenced more on the host country tend to prefer export-based entry mode. Needless to say, these isomorphisms has been reported in BC's operations previously, but have not been studied thoroughly.

Choosing entry mode depends also on legislation and options available in the target country. Countries set their own terms of legislation what comes to foreign firms' establishments, and therefore 'Institutional' aspects have a direct effect on the strategy that a foreign company will ultimately choose (Glovik 2016, 25). Regulations and information about business establishment in Abu Dhabi is available on government sites, news channels, and international official sites as well (USA and UK). (Bashir et al. 2022; UAE Government portal 2020)

One of the old entry strategies is Uppsala model, introduced in 1977. The model is focused on market commitment and knowledge. The model was criticised over the time later on based on the technological advancement in business world. However, in Welch et al.'s (2016, 784) study the authors refer to Johanson and Vahlne's (2009, 1411–1431) article, that revised the model and updated the method focusing more on the significance of networking:

"The core argument of the revised Uppsala model is that markets are made up of a network of relationships, therefore, gaining insider-ship in the relevant networks is significant (Ribeiro-Soriano and Urbano, 2009) for successful internationalization. The relationships formed by the entrepreneurs provide an opportunity for them to learn, create trust, and build commitment. This implies that a firm's business network is largely responsible for shaping its foreign business". (Pushpa 2021, 96)

In the U.A.E., BC believes in high quality of professional and influential network, that enables and supports Company X's strategic approach in the market entry process. Uppsala model, therefore, might emphasise and support this approach.

So far, the literature review consists, assuming, rather traditional ways of market entries, and it is evident that the same terms, sometimes addressed in different synonyms, repeat themselves and same principles apply. Seems, that digitalization and different ways of conducting business online and opportunities conducting business remotely has brought up new studies regarding non-traditional market entry modes (Brouthers et. al, 2022).

Brouthers et al. (2022, 2092) shows how many new articles have been published since 2019 about non-traditional market entries. The non-traditional entries are called ‘capital access’, ‘innovation outposts’, ‘virtual presence’, and ‘managed ecosystems.’ The brief definition of each can be found from table 1.

Table 1. Non-traditional market entry modes definition (Brouthers et al. 2022, 2098)

	Capital Access	Innovation Outposts	Virtual Presence	Managed Ecosystems
Definition	Exploring foreign capital with little local embeddedness either through foreign debt or capital markets or by attracting foreign investors to home country	Embedding in foreign countries to establish informal networks with foreign firms for exploring new knowledge and resources	Exploiting technologies and capabilities in foreign countries through customer/user acquisition with low levels of local embeddedness	Exploiting multi-sided platform-based technology by embedding in foreign countries to create value through complementor contributions

Concluding this review to the main market entry mode selection (MEMS)factors, Koch (2001, 68) has chosen the most influential factors to the market entry decision-making as following:

- *product-market factors;*
- *firm/foreign venture specific factors;*
- *host-market factors; and*
- *home-market factors*

More specifically the above includes:

- *cultural factors;*
- *global industry structure;*
- *global corporate objectives;*
- *relational dimensions of interfirm collaborations;*
- *firm's bargaining power with respect to foreign governments; and*
- *political leverage of the home country*

As a delimitation of this chapter is to limit the in-depth and detailed study and research of Company X's planned market entry mode. The reason for this is the fact, that although BC shall become an exclusive representative and consultant in Abu Dhabi, at this point it is expected that BC do not necessarily interfere to Company X's decision-making from market entry mode point of view, and due to they are not a commissioner of this case study. Therefore, market entry strategy and institutional theories' purpose is to provide knowledge and understanding for the study in general and subsequently to answer the research questions alongside with the research findings.

4.2 U.A.E. Market Entry

According to Elbanna et al. (2020, 5), there is evidence of lack of research of foreign firms' market entry into Arab countries. In the same article (Elbanna et al. 2020; Demirbag et al. 2011) it states that the UAE was the only attractive market for direct foreign investments since 2001 11th September attack in the USA. Most common market entry modes (Elbanna et al. 2020; Mellahi et al. 2011, 5-6) has been franchising and joint ventures, and the least favorite has been fully-owned establishments. It is important to acknowledge that data is from 2011 and there has been lot of development in the UAE ever since.

In 2022, according to Agility Emerging Markets Logistics Index (Sambidge 11.2.2022), UAE ranked 3rd globally as a rapid developing country, synonymously also used as emerging market, right after China and India. Main competitiveness based on the news were UAE's business climate, its digital development, and logistics strengths. Emerging market attracts foreign firms' direct investment (Estrin and Meyer 2004, 3) of the host country's often cheaper labour cost, availability of resources, legal flexibility and corporate tax benefits and other incentives. As many as 88% of the UAE population are low wage workers, which have sometimes been reported experiencing levels of problems related to labour rights and or working conditions (Human Rights Watch 3.12.2023), and Amnesty International (12.10.2022) claims that GCC countries have imprisoned workers after being protecting their human and labour rights, referring foremost to football World cup event.

Abu Dhabi's Industrial Development Bureau ("**IDB**" 2020) offer reduced land rent, utility discounts, and long contracts against foreign firms' new industrial direct investments. Attractiveness as an emerging market is proven by the local public stock market ADX, which have listed 40 new securities in 2022 (Al Dhaheri 6.2.2023) and according to Ministry of Foreign Affairs and International Cooperation (MOFAIC 2022) the 28th Conference of the

Parties (“**COP28**”) of United Nations Climate Change Framework is the most important event in 2023.

4.3 Institutional theory

Institutions are described as societies’ rules, whether it is political, social or economic. These are shaped and evolved by time by human interaction and exchange, hence called institutional change (North 1990, 16). Whereby Dacin and al. (2002, 45) states institutional theory being a popular explanation for individual and organizational action, and therefore Scott (2014, 11) explains the theory has long history and it is been a conceptual framework and research tradition since 19th century and has been growing ever since, to provide guidance for organizations and management studies.

In the development of multinational corporations’ (“**MNC**”) internationalization process (including distance), it is essential to define the institutions as there are different conceptualizations in the literature (Parietti 2017, 16); North’s (1990) formal and informal institutions (or constraints), for example, the three dimensions (regulatory, cognitive and normative) of institutional profile demonstrated by Kostova (1999, 316) and defined by Scott (2014, 56), that these three conceptions together with associated activities and resources provides stability and meaning to social life.

4.3.1 Institutional Distance

More recent scholar of the institutional theory is the multinational corporations’ cross-country examinations and studies, that was introduced in mid 90s (Kostova, 1996, 1997). The management of distance and understanding both institutions in home and host country has brought wide attention to MNC’s when conducting the internationalization strategies and practices (Chua and al. 2020, 467-468). While Chua and al. (2020, 468) explains there are different types of distance examinations, such as; cultural, economic, psychic, geographic and others, Parietti (2017, 16) states Kostova (1999) being the first person to define the formal institutional distance as “*the difference between the institutional profiles of two countries*”, and her different types being regulatory, cognitive and normative. Shenkar and Xu (2002, 610) argue that in terms of institutional distance a MNC’s choice of host country has to match with the parent company’s strategy and attributes, so that the legitimacy of the market entry’s competitive advantage is ensured. Therefore, it is assumed

that decision-making depends also on MNC's management's regional consolidation versus diversification policy, which is dependable on host country's regulations, culture and environmental factors.

4.3.2 Formal constraints

Institutional environment (Dobler 2011, 13), or better-known formal constraints of society, means that the specific institution is ruled by local regulations and laws (North 1990, 10). Rules that are based on political, economic, legal, and that are related, for example, to constitution and are written down officially in a rulebook, are called formal institutions (Dobler 2011, 15). In institutional formal context (Archer 1995, 296) the resources are for exchange and interaction between the institutions in order to reach specific goals, when seeking social balance or for example change. Halal (2005, 11; North 1990) differs institutional change from organizational change by stating that institutional change relates to and moves whole classes of organizations such as; government entities, education and businesses. In general, institutional change is also about how social rules or norms are structured in common.

Hodgson (2006, 8) debates in his article about North's terms' not been clear between 'rules' and 'constraints' and 'organizations' vs 'institutions' in formal constraints' context. People have interpreted institutions not being organizations, although this have never been written so (Hodgson 2006, 9). However, the ambiguity in this topic is rather obvious what comes to the following statement (North 1994, 361):

“It is the interaction between institutions and organizations that shapes the institutional evolution of an economy. If institutions are the rules of the game, organizations and their entrepreneurs are the players. Organizations are made up of groups of individuals bound together by some common purpose to achieve certain objectives”

Based on the above is not very clear if organizations are institutions, but as Hodgson (2006, 9) has written it seems clear the organizations include political parties, schools, firms, trade unions and so on.

Managing the differences of the formal constrains, Ghemawat (2007, 59-60) has written those being essential when placing the internationalization strategy of a company.

4.3.3 Informal constraints

Informal constraints are defined as norms of behavior, values, morals, traditions, beliefs, conventions, and self-imposed codes of conduct. These constraints come from socially spread information, that is, each civilizations own heritage which is a societal value system that is called culture (North 1990, 3-4; Dobbler 2011, 61).

North (2005, 50) explains that informal rules roots from the culture itself, and which “consist of the intergenerational transfer of norms, values and ideas”. The interaction and relation of formal rules and informal constraints is a complex process in a way that informal constraints are modifications of formal rules, or elaborations or extensions of the same (North 1990, 40). On the other hand, the culturally derived informal constraints do not affect nor change the formal rules overnight, which means as a result, that the altered formal rules and informal constraints’ tension creates specific outcomes that have important effect to general production and services, and therefore change of the economy (North 1990, 45). (Starodubrovskaya 2015, 183)

4.4 Culture

According to Tharp (2009, 2), the term 'culture' does not have an ultimately clear consensus in scholar, and especially of how to define in one frame. It often depends on the context, but it is commonly applied as a social pattern. In human aspect of culture, it can be split into visible and invisible attributes. Visible are, for example, architecture, interior design and furniture, clothing, publications and products. Invisible then are: behavioral, values, beliefs, attitudes and assumptions. Kalman (2009, 4) describes culture as our roots and where our ancestors came from. He also explains culture being a way of living; the way we speak (languages), the food we eat, how and what do we celebrate, and what form of art we create and consume, and so on.

4.4.1 Organizational Culture

Based on the above, culture is present in our everyday lives as a broad subject. Therefore, it is viable to understand about the culture in organizational context. Phelan (2009; Schein 1992, 12) cites organizational culture definition as ”a pattern of shared basic assumptions that the group learned as it solved its problems of external adaption and internal integration, that has worked well enough to be considered valid and, therefore, to be

taught to new members as the correct way to perceive, think, and feel in relations to those problems". May sound very complex. According to Hatch's (1993, 657-658) argumentative and critical review of organizational culture she states Schein's (1985, 9) conceptual organizational culture model of 'assumptions', 'values' and 'artifacts' remains one of the only models ever offered. These three levels work simultaneously within an organization, so that the artifacts are on the surface, values are located underneath the artifacts, and the core is assumptions. Assumptions are about human nature and reality, values are goals, principles, and philosophies, and artifacts are tangible and visible results of activity within values and assumptions.

4.4.2 Culture in Middle East

The main differentiator to western countries and the main commonality among the Arab countries is Islam as religion and Arab language. Common cultural habits and traditions are commitment of teaching and practicing Islam, group and family orientation, strong hierarchical order, sense of pride, and conservativeness for change (Al-Kandari and Gaither, 2011; Elbanna et al., 2020). The main characteristics of Arab culture include unique and specific cultural norms, which are herited by their Bedouin tribal ancestors and the significant role of and commitment to kinship. In life generally, and especially in business encounters, Wasta plays important and strong role. Wasta is known in other cultures as personal connections and networking.

What comes to resistance of change in the context of culture, it perhaps explains why Arab countries are considered as emerging markets. Some countries are more traditional than others, those being more advanced. Particularly globalization and communication technology have created gaps between Arab countries general development. This would require a separate institutional-based study of why and how these erosions occur. (Elbanna et al. 2020, 2)

In addition to the above, culture generally is considered as a sub-component of institutional framework of studies, whereby the focus in Arab culture's context would be on 'exploration of cultural traits', 'Arab culture's main characteristics', and 'study of what are the main impacts of culture on relation to the outcome of work-related matters'. Based on this and in addition to the first paragraph the studies report Arab countries as relationship-based culture including group orientation, where submission to authority plays big role, and as well the significance of masculinity and mind set of people being short-terminism. (Kabasakal and Bodur 2002; Al-Khatib et al. 2004). Moreover, Arab work culture's (Ali and

Al-Kazemi, 2005) main characteristics are loyalty, friendship and honor, which are inherited by the tribal Bedouin history as well. Therefore, the working and organizational systems are top-down authoritarian management systems, and often resulting to outer parties' conflict resolution techniques and to low employee involvement (Al-Khatib et al., 2004). (Elbanna et al. 2020, 10)

Conducting business in the U.A.E., requires it strong personal contacts and it is essential to establish solid connection and relationship with the local community (Benesh 2008, 195). The culture values good relationship and therefore successful business may take some time, because it requires several meetings and occasions before entering in serious business discussions. Therefore, selecting a correct local agent is essential for the business development of foreign firms. *Wasta* is an Arabic word that relates to the connections and a pull that a person has. By developing strong network and relationship with highly placed Emiratis one may increase more potential success in its future transactions, if successfully being patient and able to adapt to the local norms such as, delays, re-scheduling and other inconveniences that often occurs in UAE business life. Communication with Emiratis shall be calm, always face-to-face and emotionally controlled speech should be maintained throughout the conversations. Also, saying word 'No' is considered offensive and therefore should be avoided and a matter or response should be explained in other words instead (Benesh 2008, 195-197).

4.5 Business Consultancy

Definition for 'consultancy' in one word is described as 'mentoring' or 'coaching', or it can be defined as "an experienced person or entity, who helps the other by sharing its expertise or by guiding a novice in a particular field" (Kakabadse 2006, 417), or more simply put; "an expert in a particular field who provides advisory service to another entity or to an individual" (Riddle 2001, 1). Mentor, or consultant, is also a person or entity who helps the other to become something that it wishes to become. (Kakabadse 2006, 417)

Consultancy as a business field have been fastest growing industry since the 1980's by increase of revenues 18% annually between 1980-2008. Main reasons for growth have been the demand in public sector, exponential growth in IT sector, and various types of corporate mergers and acquisitions (O'Mahoney and Markham 2013, 15), which originally, according to Riddle (2001, 6), was due to the economic recession whereby companies didn't hire employees back after the recession, but hired outsourced consultants instead.

Professional network's significance, or role in market entry mode decision-making has a great impact based on the literature (Ojala 2007, 50), although it might be an underestimated attribute in firms' internationalization processes generally. BC as a local consultancy firm, can also be called as a local third party, agent, or intermediary. BC have a strong network in the area, which support its strength in the overall equation. Network of contacts can be divided into formal (direct employee contacts), informal (friends) and intermediary (third parties) networks (Ojala 2007, 51-53), whereby BC's capacity and strategy are to utilize all of the three network types to maximize its performance. In business network literature (Dymitrowski et al. 2019, 1054) it is noticeable, that formal relationships are mainly professional contacts and differs to informal relationships in its trustworthiness (informal ones being more trusted contacts). Moreover, consulting is about entrepreneurial attitudes, skills and mindset, too, where a consultant has to be creative in its own field of expertise (Biech 2019, 45-47), because the clients most likely hire a consultant based on its expertise and successful track record (Riddle 2001, 6-7).

MNC's common and vital questions before expanding activities to the UAE is, for example, 'who should we deal with?', How can we, and can we apply same practices in the host country?' Cultural and managerial matters play essential role in strategic entry planning phase. Based on Mellahi's (2010, 470) article, there is limited availability of literature of Arab business management. However, the main scholar covers topics, such as management culture, Islam and work values, ethics, HRM, and marketing activities in Middle-East.

The purpose of BC is to provide answers to the above, and to provide appropriate activities to meet the requirements of the market entrée (Company X), and to minimize cultural blocks and hurdles of encounters. For example, in Abu Dhabi, entering to Industrial public sector it is still required to have an official locally owned representative in order to participate in tenders (OECD 2016, 230), and especially those businesses that wishes to open a fully-owned establishment and it is owned by non-GCC resident, it requires signing a local service agent agreement with a UAE company. This appointment shall be notarized at the local courts as well. (UAE Government 2023).

Generally, in Arab companies' state context (Elbanna et al. 2020, 9) it is said the local firms nowadays focuses more on strategic planning, but it is yet uncertain how strategic that is, and the local companies are still lacking of long-term planning, participation, and political-transparency among the communities.

4.5.1 Process Description

For a further reference to this study, it is important to acknowledge the current BC's operation model of how the previous projects are conducted and what are BC's scope of work and phases of a common market entry consulting process (**Figure 3.**)

Process typically begins by identifying an opportunity, which is based on market demand and BC's study of the local market and trends. Validation phase of the foreign product or service provider firms is an important part of the process due to high expectations in the public sector. After shortlisting the candidate companies (MNCs), the preliminary agreements and or commitment by the foreign firm shall take place i.e., non-Disclosure agreement and for example Expression of Interest or Letter of Intent -type of document. In this phase the opportunity shall be disclosed to the shortlisted companies and the negotiations begin.

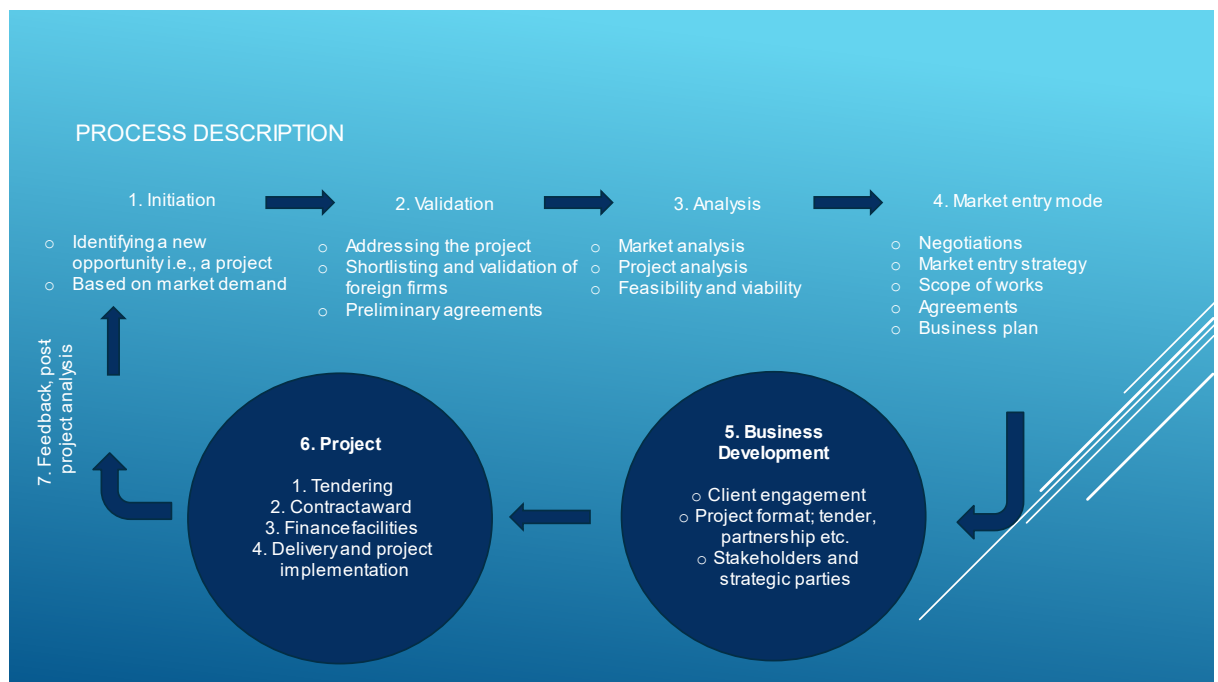


Figure 3. BC's Business process description

The parties shall then proceed into mutual analysis of the project and feasibility study. At this phase, the clients have been contacted for feedback and for mutual interest. In the event the parties and the MNC sees the opportunity as viable, then the next step towards the market entry strategy shall take place. Also, clarifications to parties' scope of works

are essential to agree to avoid any misunderstanding and to keep the communication clear.

Before engaging with the clients and strategic local parties (for example EPC contractors), the business plan shall be calculated (including operational and capital expenditures) for the subsequent financial requirements. At this phase, the idea of banking facilities' requirements should be clear to the MNC, too. To secure BC's interest, it requires a stronger commitment by MNC and therefore the consulting agreement, or similar, takes place between the parties.

Once the parties have a mutual consensus and they wish to seize the opportunity, the business development phase is implemented, which includes the client engagement and practical preparation for the upcoming tenders, client negotiations, contacting and shortlisting of the required third parties, and so on.

The final stage of the business process is the tendering stage, where the MNC prepare, by the support of BC, the project tender bid, which requires a technical and commercial submission. This will follow, if successful, the negotiations with the client before a contract award. The average timeline for the whole process of a mega-project varies between 1-3 years.

4.5.2 Organization Strategy and Knowledge Management

Organization can be defined or recognized as 'entrepreneurial', 'bureaucratic', 'consultant' and 'expert' -driven, or 'project'-based organization. BC could be considered as mix of entrepreneurial, consultancy and project-based organization. Main drivers in a company are the motivated and skilled employees, that together form the firms' processes as part of the organization knowledge in form of service or products' offering to the markets. BC is rather small, that provides specialized consultancy services and is flexible in its operations and is the opposite to large bureaucratic enterprise, those that have strong routine and systematic way of conducting the business. (Stenberg 2023; Mintzenberg 1979, 9)

Organization's strategy is a long-term plan, that follows the company's set mission and vision. Based on the mission and vision, the company decide and implements its development projects, working policy and utility of its resources for a specific set time of the goals, which is usually between 3-5 years. The core of the strategy is the gathered and analyzed new information and knowledge from the development projects. These projects have been

initially initiated and implemented due to the need of organization's change and this portfolio is being regularly monitored and evaluated during the course of implementation (Stenberg 2023, 16). This case study is based on the original pre-requisite of BC's need for change and focus on its business.

The different phases in creating a new strategy commonly consist the description of the company's current status, its vision and objectives, implementation, monitoring and evaluation, and updates and changes. In the core of the operations is information and the firms' management based on the knowledge, and consistent learning while gathering new information. (Stenberg 2023, 17-18; Karlof 2002)

Company's capital is split into three categories; Intangible and intellectual capital which together constitutes the knowledge capital (internal and external information), tangible capital (machines, equipment and other physical assets), and financial capital (profitability, payments etc.). Lonnqvist and Mettanen (2003); Stenberg (2023) explain that the tangible and financial capitals cover 10-50% of the firms' value, while knowledge capital value for a company the rest 50-90%. Therefore, it is considered, that knowledge management in expert-based organization like BC is crucial when developing and implementing a new strategy for the company.

Table 2 combines the literature in category and thematic order of the themes reviewed so far in this section.

Table 2. Literature summary

Category	Theme	Key words	Author
Market entry	Internationalization	Strategic decision, commitment, institutional arrangement, control, risk, marketing plan	Albaum (2016)
		SWOT, market research, PESTLE,	Pushpa (2021)
		Institutional and organizational arrangement,	Golvik (2016)
	Entry modes, internationalization, Institutional theory	Structural agreement, partnership, joint venture, wholly owned operation, market strategy, RBV, Transaction cost, Uppsala model,	Schellenberg (2018)
	Entry modes, Transaction cost	Level of control, wholly-owned subsidiary, 17 entry modes based on level of control, shareholding, partnership, franchise, distribution,	Anderson and Gatignon (1986)
	Internationalization, OLI-Framework, host country	Level of ownership, investment, location,	Ivanova et al. (2008)
		Ownership, assets, institutions, transaction	Dunning and Lundan (2008)
	Entry strategy	Technology transfer, foreign investment, joint venture, disruptive technology, fully owned entity, transaction cost	Hoekman and Javorcik (2006)
		Company's size, status and resources. Market demand, competition.	Hollensen (2016)

	Internationalization decision-making process	Market demand and attractiveness, environmental risk, transaction cost	Rogmans (2013)	
		Inside-out thinking, RBV and company's resources, disruptive technology,	Sharma et al. (2014)	
	Entry mode	Non-equity (export, contractual agreements) and equity-based entries (wholly-owned entity, JV)	Mellahi and Surdu (2016)	
		Non-equity entry (licensing, export, RandD, alliances entry mode), equity based entry (JV, fully-owned entity, greenfield acquisition)	Pan and Tse (2000)	
		Internal and external isomorphism, multiple and mixed-used entry modes, levels of isomorphism, decision-making in entry process	Davie et al. (2000)	
	Entry strategy	Uppsala model, networks, relationships,	Ribeiro-Soriano and Urbano (2009)	
	UAE entry	Direct foreign investment, franchising, joint ventures, wholly-owned entity,	Elbanna et al. (2020)	
		Direct investment, emerging market, regulations, incentives	Estrin and Meyer (2004)	
Institutional theory	Definition of Institutions	Institutional change, history, meaning for organizations and management, Formal and informal context, three dimensions, meaning to societies	North (1990)	
			Dacin et al. (2002)	
			Scott (2014)	
	Institutional distance	Distance in internationalization context, home and host country institutions	Kostova (1996 and 1997)	
			Distance types and examinations; cultural, economic, physic, geographic	Chua et al. (2020)
			Formal institutional distance (regulatory, cognitive, normative)	Parietti (2017)
			Impact of strategy, decision-making, competitive advantage, regulations, culture and environmental factors	Shenkar and Xu (2002)
	Formal constraints	Institutional environment, society's regulations and laws, political, economic, legal	Dobler (2011)	
			North (1990)	
		Social balance, change, interaction between institutions	Archer (1995)	
		Institutional change versus organizational change, government, businesses, education	Halal (2005)	
		Institutions versus organizations, ambiguity, schools, trade unions, political parties	Hodgson (2006)	
		Management and knowledge of formal constraints	Ghemawat (2007)	
	Informal constraints	Definition, culture, values, beliefs, behaviour, moral	North (1990 and 2005)	
			Dobler (2011)	
		Relationship to formal constraints, economic impact, change	Starodubrovskaya (2015)	
	Culture	Definition, social pattern, visible and invisible attributes; architecture, furnitures, clothing versus beliefs, values, behavioral.	Tharp (2009)	
			Kalman (2009)	
		Organizational culture, external adaption and internal integration	Phelan (2009)	
			Schein (1992)	
Conceptual organizational culture, model of 'assumptions', 'values' and 'artifacts', human nature, values, principles, goals, philosophies	Hatch (1993)			
	Schein (1985)			
			Al-Kandari and Gaither	

		Arab culture, family, language, hierarchy, pride, conservativeness, resistance of change, emerging markets, development	(2011) Elbanna et al. (2020)	
		Aab culture, relationships, masculinity, authority, group orientation (tribes), loyalty, honour, friendship, Bedouin history	Akaah (1990) Kabasakal and Bodur (2002) Ali and Al-Kazemi (2005)	
		Arab culture organization authoritarian system, employee involvement, conflict	Robertson et al. (2002) Al-Khatib et al. (2004)	
		Arab business habits; contacts and relationships. Network, 'wasta', face-to-face meetings, emotions, speaking	Benesh (2008)	
Business Consultancy		Consultancy meaning; mentoring, coaching. Advisory, service, expert. Recession, economy, outsourced consultants, trackrecord	Kakabadse (2006) Riddle (2001)	
		Industry, growth, sectors	O'Mahoney and Markham (2013)	
		Network, definition of three network types; informal, formal, and intermediary (third party contacts)	Ojala (2007) Dymitrowski et al. (2019)	
		Consultants' skills, entrepreneurial, attitude, creativity	Biech (2019)	
		Lack of Arab business management literature	Mellahi (2010)	
	Knowledge Management		Definition of organization, definition of organization strategy, mission and vision, projects, organization change, knowledge capital, knowledge management	Stenberg (2023) Mintzberg (1979) Karlof (2002)

4.6 PESTEL Analysis

PESTEL is a tool that provides valuable information for foreign companies' internationalization projects. The analysis tool is part of BC's duties to understand the local macro environment of the country, and to be able to provide its services appropriately for foreign firms. The analysis discusses with institutional theory, what comes to formal and informal aspects. PESTEL framework consist six areas; Political, Environmental, Social, Technological, Economic and Legal (**figure 4.**). (Buye 2021)

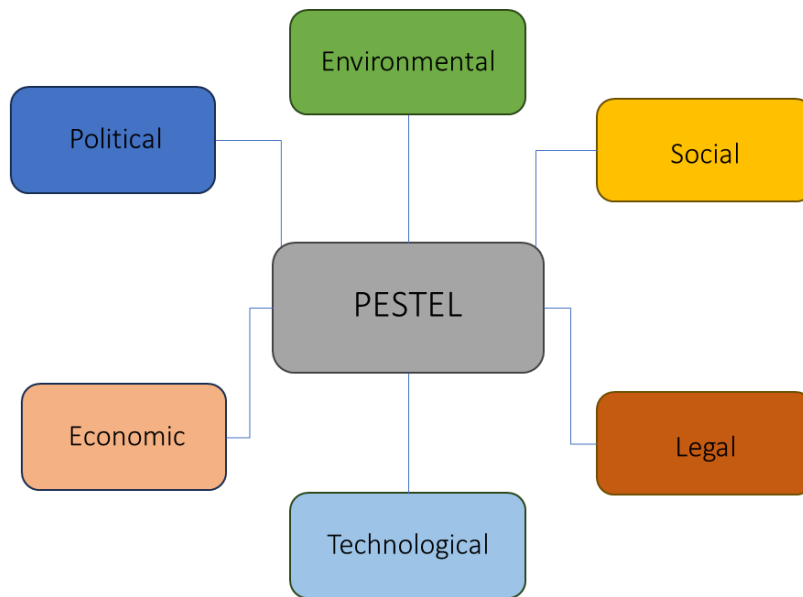


Figure 4. PESTEL Framework

4.6.1 Political

UAE's constitution began in 1971 since its independence and formed the seven Emirates; Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaimah (in 1971), Sharjah and Umm-Al Quwain. These emirates form the UAE federal constitution, including 152 articles which provides the rights for the citizens and guarantees equal rights and opportunities, safety and security, and social justice. (UAE government, 2023)

In their vision 2021, the country's main objectives are developing equally its citizen, having a sustainable socio-economic for stability, moderate Islamic values, solidarity, and protect its heritage and citizens while developing their professional skills (UAE government, 2023). As Archer (1995, 296) states about formal institutional factors and relationship, the UAE aims for this, as the goals are aligned what comes to interaction between the institutions, when seeking social balance or change.

As part of the UAE's foreign affairs is to provide jobs and residency for vast number of foreign employees and workers. In 2014 total amount of 29 billion USD was transferred to foreign countries by the labour working in UAE. Majority of this amount was transferred to developing countries. (Ministry of foreign Affairs UAE 2023)

4.6.2 Economical

UAE is the second largest economy in the Middle-East after Saudi-Arabia. Country have had significant growth in the past two decades, GDP being \$104.337 billion in 2000 to \$501.354 billion in 2022. The annual GDP growth is 7.4% as of 2022 (World Bank, 2023) and the overall real GDP is expected to grow ca. 3.5% in 2023. Average inflation will remain contained at around 3 percent in 2023, down from 4.8 percent in 2022 (International Monetary Fund – IMF, 2023). This makes UAE as one of the wealthiest countries in the world as the GDP is almost 80% higher than the average of the OECD countries. The country has a very low unemployment rate and ranks one of the highest countries in receiving foreign direct investments. (Business Finland 2023; Pestle analysis UAE 2023)

The local currency, Dirham (AED), is tied to US dollar and the conversion rate is one USD equals 3.67 Dirhams (UAE Central Bank, 2023). is well known of its oil production and export. However, the majority of country's economy is based on various non-oil sectors accounted for 70% of GDP. Oil sector part of the total is 30% of the real GDP. Abu Dhabi's portion of the oil sector is the biggest, while non-oil sectors vary, as Dubai has strong tourism and real estate markets as of 2022. (Business Finland 2023)

In renewables energy sector, the real initiatives began back in 2008, when Abu Dhabi set a target to achieve 7% renewable energy power generation capacity (approximately 1 500 MW) by 2020, and following by Dubai announcing a target of 5% renewable energy power consumption (approximately 1 000 MW) by 2030 (IRENA 2015). The different public sectors and organizations interaction is essential of the country's economic development and evolution. These relationships within the organizations and its successes depends on how group of individuals follows the given rules and goals to reach the common objectives (North 1994, 361).

The current main green sectors in the UAE are solar power, thermal and cooling solutions, waste to energy, and the most recent high demand is on energy storage solutions to support the viability of the green energy power production and utility (Al Arabya 2023). Green hydrogen initiatives have been introduced and the UAE government has set a goal of 1.4 million tonnes of green hydrogen by 2031 and 15 million tonnes by 2050 (Hydrogen Insight 2023).

To reach these goals, UAE should focus on the relationships and interaction between formal rules and informal constraints of the different entities in the green sector public entities to avoid tensions that might affect to specific outcomes that have important effect to change of the economy (North 1990, 45). (Starodubrovskaya 2015, 183)

4.6.3 Social

This aspect in PESTLE analysis means the informal social attributes of the society and in its culture (North 1990, 3-4; Dobbler 2011, 61). UAE's population over 10 million is covered by expatriates ("expats") 90% of the total. Expats come from all the continents and ca. 30% of the expat community are Indian origin. The most spoken languages are in addition to official languages of Arabic and English, are French, Russian, Malayalam, Tamil, Hindi and Urdu. English is the most common language in business transactions, and Arabic is often preferred within the public sector departments. (Business Finland 2023)

Prevailing religion is Islam, which is seen in local citizens dresses, which are called Kandora for men and Abbaya for women. This clothing tradition defines and is visibly referring to the history of the country (Kalman 2009, 4). Men's clothing is fully white (winter times some may dress in blue, grey or light brown), and women dress always in full black colour abbaya. Highly educated inhabitants enjoy rather wealthy life-style and many expats enjoy good benefits on top of higher-than-average salaries, which are tax-free as of 2023. However, the demography among the expats varies vastly due to the low educated Asian continent expats who work as low wage labour positions such as; construction site worker, cleaners, drivers, maids, healthcare. (Pestle Analysis 2023)

Work week is Monday to Friday, the latter considered being a half day and especially in public sector the offices close before the Friday prayers at noon time. Face-to-face meetings are preferred as phone or emails are sometimes seen as impersonal. Personal relationships are key to doing business. Punctuality is not like in the westerns countries and it is common that people are kept waiting before a meeting. (Business Finland 2023)

4.6.4 Technological

Despite of UAE's traditions and its conservativeness mindset for a change (Al-Kandari and Gaither, 2011; Elbanna et al., 2020), it is considered as developed country what comes to basic technical infrastructure and connectivity, yet UAE is highly emerging market regionally and globally (Sharma 31.3.2023). Country has two large telecommunication service provider companies, Etisalat and DU, which provide individuals and corporations' internet connections, landline phones, TV channels and entertainment packages. The downside of having only two service providers is in higher cost of internet connection and

home TV channel agreements, for both consumers and corporations, with less flexible terms than the same in Europe. (Etisalat 2023)

Recently, announced UAE's ranking as a top emerging market in the region

As a wealthy country, UAE has the resources and interest of being in forefront in technological development in different solutions and infrastructure. Automation and A.I. industries are booming and several driverless sites and pilot projects have been implemented across the country. Renewables energies technologies are being evaluated in regular basis and it provides many opportunities in the industry for years to come.

4.6.5 Legal

Legal system in its formal institutional structure (Dobler 2011, 15) in UAE is constituted by two major institutions: the Federal Judiciary presided by the Federal Supreme Court, which is the highest judicial authority in the UAE and the local judicial departments at the local government level. At the federal level, Ministry of Justice oversees courts and prosecution departments across the UAE. It appoints judges and licenses lawyers, experts and legal translators (UAE government 2023). For foreign market entrees, understanding of local legal system plays one of the key attribute role (Ghemawat 2007, 59-60), and generally, in formal institutional context the differences between home and host country's institutions are important to analyze when conducting a strategic study (Chua and al. 2020, 467-468).

UAE has wide variety of different ways to setup your business. These include various "Free zones" to a business which can be setup very quickly. However, the bureaucracy in general paperwork, permits and opening a bank account can be a lengthy process.

In renewables energy context the Department of Energy ("DoE") in Abu Dhabi works as a regulator for the industry and is actively setting new articles for renewables sector due to its rapid development and requirements. (Department of Energy 2023)

4.6.6 Environmental

UAE's climate ranges from warm to very hot. Winter months are typically 20-30 degrees and summer months May-September the weather can reach as hot as 50 Celsius degrees, which may slow down many activities and productivity, depending on a particular purpose and business.

UAE's location is considered strategically as very feasible located between the Asia, Africa, Europe and west. In institutional theory, the distance (Kostova 1996, 1997) between the branches of a MNC have a significant role in internationalization process and when comparing benefits between different locations. Many corporates establish their business hub in the UAE based on the transaction opportunities, location, tax, climate and other benefits. Also, the coastal and maritime connections to other countries enables convenient and good opportunities for off-takers and general exports and imports. (Pestle Analysis 2023)

The climate and global warming are common threats affecting many sectors in the UAE. Higher general utility costs (cooling and water), carbon footprint due to the essence and number of motor vehicles and rapid construction and infrastructure development, limited water sources and the high demand of desalination, and overfishing all together combines a environmental challenges and at the same time enables opportunities and are the proof for high demand for green renewables energy service and solution providers. (UAE government 2023)

4.7 Phenomena and Theoretical Framework

Successful and meaningful market entry requires a concrete demand and available market to penetrate in. The U.A.E. is considered an attractive location, for example, for blue and green hydrogen production that offers many opportunities for foreign firms to enter the market. Attractiveness for blue and green hydrogen production is based on the U.A.E.'s natural gas sources and its infrastructure, large solar power plants, and available land for the ammonia production at the strategic port of Kizad Abu Dhabi (Friedmann and Mills 2021). This literature review studied the main themes that are based on the phenomena.

This study has three main themes, each of them relating and synergizing within each other. In order the Company X to penetrate the RE market successfully under the agree-

ment with BC, requires it a clear process map and definition of operational model, that defines the development project's phases, including its challenges. subsequently BC shall be capable of providing the appropriate expert services to Company X. BC's role is to guide and advice Company X in all aspects of local cultural matters (human factors, organizational, and general business culture), identify the market potential, propose the value for both Company X and the local clients, and eventually address a potential client project to Company X.

Based on the above, the literature covered and was studied in the areas of Internationalization in a form of market entry modes including UAE market entry, Institutional theory including cultural aspect separately, and business consultancy that shall support understanding business consulting's nature, core elements, and operations in context of BC's strategy and its role in the Company X's market entry.

Market entry mode literature and practices studied understanding of the institutional aspects, especially local business establishment and business practice legislation and regulations. Therefore, that synergized with the Institutional literature. Market entry mode literature has been studied by paying attention more to MNC (Company X) perspective and practices rather than startup market entry principles for instance. Internationalization and entry modes studied the reason, different ways and strategies on how to enter a new country. Modes of different contractual (JV, acquisition, direct investment / wholly-owned subsidiary, export, licensing) approaches were studied. Also, traditional and still valid strategies such as; Uppsala model, transaction cost, resource-based view, and OLI framework were introduced.

Institutional theory and its literature functions as a supportive theory to Market entry mode theory. Institutional theory literature was divided into formal, informal, and culture theories, whereby also Institutional distance theory was covered briefly. Culture section covered its meaning and focused separately on Arab culture and how the business is typically conducted in Arab world. Understanding the local culture, it provides the basis for the research and framework within a whole and especially in the interaction between BC and Company X.

Business consultancy focused on exploring the key principles of consulting in general, and the areas that are required from BC for (assuming) successful results, such as; business track record, expertise and skills, networks, and understanding the culture as a local consultant.

The pre-composed theoretical framework (Figure 5.) is based on the literature review and phenomena. Phenomena is the renewables energy market, which is the initiator and “driving force” of this study. Theoretical framework shall provide the sufficient basis for the research and findings based on the research interviews and documentation analysis. Framework will then be evaluated and analysed how the study answers the research questions itself.

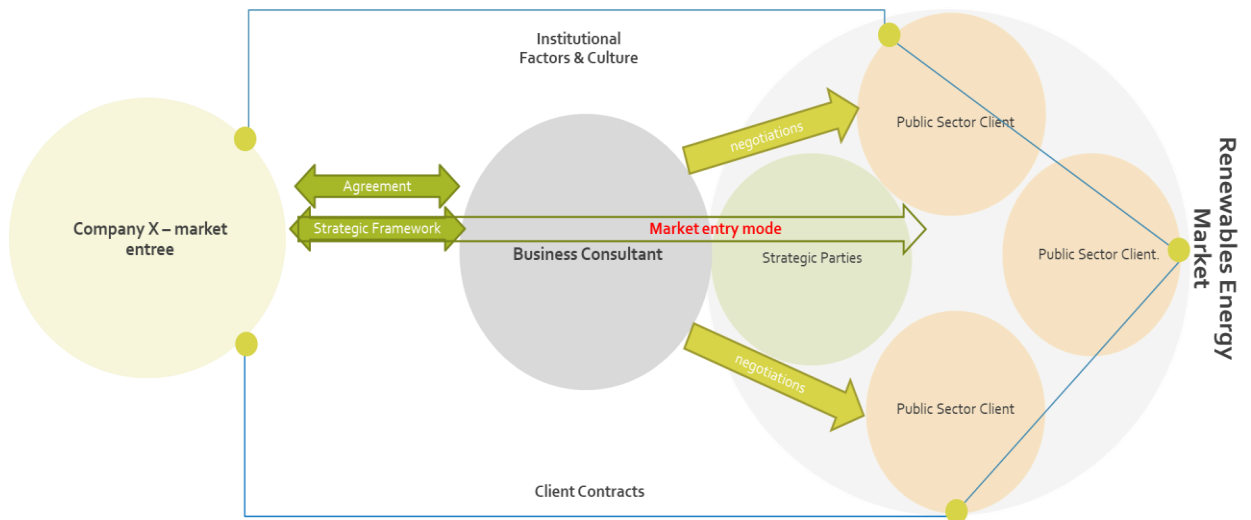


Figure 5. Pre-composition of theoretical framework based on the phenomena

5 Research methodology

This study is based on phenomena and on new business opportunities for foreign firms in the UAE. The idea is to conduct a qualitative research method based on the nature of the development work, that is previously elaborated in this paper.

5.1 Research approach

Phenomena is about shaping the future in oil and gas post-era. Phenomena is the RE sector including BC and Company X, focusing on green energy production industry and about how BC’s strategy in business development support the objectives and the answers to research questions. The work is not based on high amount of numerical research data, but on qualitative data instead.

Research that is conducted by qualitative methods, the meanings are usually delivered from images and words, and not by numbers. Due to multiple and unclear meanings of

words and images, it often requires clarification and exploration with specific participants. To ensure natural and interactive altered procedures, the common research methods used are unstructured or semi-structured interviews (Saunders 2019, 179). Quantitative and qualitative methods are compared by Mukhopadhyay and Gupta (2014, 111), so that qualitative method allows the researcher to be more creative what comes to analysis and data collection phases, while Winter (2000, 9) compares quantitative and qualitative methods in a way, that quantitative research limits itself to what exactly can be counted or quantified, and, qualitative research tries to choose the correct pieces of unquantifiable, personal, in depth, descriptive and social aspects in the world. The world aspect, also mentioned by Atieno (2009, 14), qualitative researchers are interested in meanings of how people make sense of their lives, experiences, and their structures of the world. Also, Taylor et. al (2015, 18) refers to the similar meaning by stating *qualitative researchers are concerned with the meaning people are attached in their lives.*

As in this study, the relationship within the phenomena is rather in-depth in personal and is not based on large data, so therefore the qualitative methodology would suffice in this study.

Due to the smaller number of interviewees and based on the qualitative research characteristics, the decided method of data collection is mono-method:

“A qualitative research design may use a single data collection technique, such as semi-structured interviews, and corresponding qualitative analytical procedure. This is known as a mono method qualitative study” (Saunders 2019, 179)

Qualitative research method is also suitable when the work includes for example in-depth interviews. In this work the number of interviews is less than ten, so the scope differs to quantitative research method. (Saunders 2019, 175)

The strategic approach for this research is case study -method, because it aims to describe the current situation (Research Approaches 2022) and its strategy focusing on understanding dynamics present within single settings (Eisenhardt 1989, 534) i.e., in this case it is a new RE market opportunity for BC and to Company X. The idea is to study and analyze the phenomena and suggest strategic ways how to successfully conduct the business development and market entry for Company X.

Case study is also suitable for a business development cases, where the task is to produce suggestions for development and ideas. Case study finds it fit also in cases where problems are supposed to be solved. In this case the problem (or challenge) is considered

as our company's narrow presence in traditional industries and merely lack of diversity in different market approaches. Therefore, the RE market is a new development case and opportunity. (Ojasalo et al. 2009, 29-30).

5.2 Methods of data collection

As case study approach involves a social aspect, it requires researcher's close collaboration with the participants and the audience for data collection. Therefore, interviews are one of the common methods for the purpose. Other effective methods for qualitative case study are, for example, observations and documents collection (Marrelli 2007, 39-40). The purpose in this research was to conduct semi-structured and in-depth interviews for the main data collection purpose. I chose a target group of five interviewees for the semi-structured interviews. The participants were the senior experts and consultants from business consultancy field in the UAE and senior management employees of foreign firms having internationalization experience background. These key people are also experts in management consultancy, engineering, entrepreneurship, and/or investment banking industries.

5.2.1 Research interviews and design

Interviews are effective way to gather in-depth information in case studies. In this paper, the data source is referred as participants or informants, and the information is based on meanings through words (spoken or textual). These are some of the main characteristics of a qualitative research method. (Saunders 2019, 179)

As per the research goals, it was essential to establish a deep understanding of how the management thinks of the strategic approaches and to find out their opinion of the new market entry. Galletta (2013, 45) explains, that semi-structured interviews include both open-ended and more theoretically based and driven questions, and Saunders (2019, 445) says those methods (including in-depth interview) are sought to establish a better personal relationship with the interviewees. Based on this, it was assumed to gather reliable data by the interviews.

Semi-structured interviews are formulated in an appropriate manner that shows the interest and focus on the research topic. Interviewer has to show its knowledge to the topic and being able to elaborate the questions more if necessary. All sorts biased or leading

questions including interviewer emotions were avoided. Different types of questions are included in semi-structured interviews and they shall be split into themes. The idea was to receive as much as possible quality information by letting the interviewee talk freely in a chosen location that enables successful and professional results. Main types of questions that were used: *open questions*, *probing questions*, and *specific and closed questions*.

Open questions are designed in a way, that responses provide comprehensive answers including facts and reveal of critical information. Questions often begin with 'how', 'why' or 'what' -words. The possibility to 'no' and 'yes' -answers are eliminated.

Probing questions are similar to open questions, but explores more on specific information to be gathered. For example, 'what is your opinion on choosing X method in market entry?' This question could be followed by elaborative questions to receive more quality data, such as; 'how do you think that method would be most appropriate one'?

Third type of questions are specific and closed questions. These questions were used in beginning of the interviews and they sought to get some specific information by starting the questions: 'could you please tell me...', 'can you describe'..., or 'do you prefer'. (Saunders 2019, 456-463)

The interview questions were based on the proposed theoretical framework, to find out the factors and relationships affecting the market entry decisions, decision-making process and especially the role of BC in foreign firms' market entry process. Cultural and socio-political aspects and other informal and formal institutional questions were conducted, too. To get the transparent insight of the BC's role, capabilities and expectations, the interviewees were chosen from both sides of the business scheme, i.e. from local BC experts and foreign firms' representatives point of views. To collect valuable data for the market entry process and reasons behind entering into UAE market, the questions were also designed to gather information about the factors behind the decisions why a foreign RE firm should consider UAE (host country) as a new market territory for market entry.

Three of the interviews were conducted over voice recorded Microsoft Teams video calls, one was conducted as a voice recorded face-to-face interview at the office premises, and one interview was answered by typing. All interviews were executed between 1st September and 13th October in 2023 and the average duration of an interview was fifty minutes. In the **Table 3**. the code of each Interviewee means as participant 1, participant 2 and so on. P1, P2, P3 represents the local business consultant senior experts and P4 and P5 respec-

tively the foreign firms' senior experts, that provide the insight and data from the perspective of foreign firms' market entry related matters and of how they see BC's role and expected capabilities. Interview questions are attached in Annex 2.

Table 3. Research Interviews

Interviewee	Date	Duration
P1	1st September 2023	1h 8 minutes
P2	5th September 2023	42 minutes
P3	13th October 2023	43 minutes
P4	11th October 2023	47 minutes
P5	6th September 2023	written response

5.2.2 Documents of phenomena

The supported documents of renewable energy market directory have been included in Annex 1. The references have been cited in this paper when deemed necessary for each subject of RE. Documents are all published online. These materials include official RE reports, announcements, news articles and government and regulators' statements.

5.3 Methods of data analysis

Qualitative data analysis means interpretation and classification of linguistic material and meanings of issues, practices, processes or structures (Flick 2014, 5). The aim is to analyze themes, opinions and patterns to find out which information matches with each other. The purpose is to analyze data that support in developing the new strategic ways of approaching and developing the business case in the phenomena. Thematic content analysis method is useful in qualitative research, as it is systematic but flexible and accessible approach to the interview data. It is suggested for analysis of large or small amount of qualitative interview data. (Saunders, 651)

The recorded interviews were first extracted onto MS Word file as a text, so I could also read the data, and then I listened all the interviews again to summarize all the relevant information on Excel sheet by categorizing the data in themes. By creating the themes, I

used the proposed theoretical framework. Each theme then includes different labels (codes), that was collected by listening and pausing the voice record. For each label I picked and summarized the most relevant quotations from the recorded material in order to find patterns and opinions for data analysis.

5.4 Interviews data and findings

The data summary collected from the interviews consist total of 11 pages and 3418 words. In this section I have collected the core data and findings that shall support the re-search objectives and to answer the research questions. Subsequently the table of the data categories in different themes is provided in a separate section.

5.4.1 Institutional factors

What comes to informal constraints, the main data was found on cultural, social norms and networks, and religion matters. Culture differences play a big role in market entry process and it was found that the BC's role in understanding and explaining the MNC what are the most crucial differences and how to deal with them. Most commented label was related on time factor. For the foreign firms time is essential, but in the UAE often time has no value and the market entry process can be very lengthy;

Time sometimes has no value and delays are very common, which are very difficult to explain to MNC (P4)

MNC market entry via a certain project can take up to 2-3 years before gaining any profit or contract awards (P4)

BC's role is considered important what comes to mediating between the cultures, so it is helpful when BC has the experience of the local culture and that employees of the BC speaks Arabic is considered as an added value. Abu Dhabi is considered more traditional compared to Dubai and dealing with government entities employees they are in most cases Emirati citizens and they feel comfortable in communicating in Arabic.

It helps when the local consultant speaks the same language and gets referred to the clients (P1)

Although English is an official language in the UAE, the clients often prefer to communicate in Arabic (P1)

UAE's demographics as in 2023 is a little over 10 million population, of which expatriates' amount is nine million, i.e., ca. 90% of the total population. In cultural context it is important to acknowledge that 2,8 million of the nine million (ca. 30%) are Indian expatriates and therefore constitutes a significant one large expatriate community in the UAE (Global Media Insight 2023). Related to business context, the country is a different business environment compared to the country with its original habitants. An interesting comment related to this was captured from one of the interviews:

UAE business culture is considered as 'normal', because people come from different backgrounds and shares in many ways certain same norms in conducting business. This is very different when comparing a country where only people with same background do business with each other (P3)

Understanding the structure and number of expatriates in UAE helps in conducting the business, and to understand people's backgrounds and habits. For example, number of Indian expats cover almost 90% of all population in UAE (P3)

Social norms play a significant role in business relations. In UAE, it is said, that so called "cold calls" in business development work has no value i.e., face-to-face meetings is the way of conducting business and especially by creating a close relationship with clients, and even better when friendship has been built;

In UAE the business you need to create friendships and good relations. That is more important than the product itself (P3)

UAE enjoys a good reputation among the GCC countries in the region, and it is very important in the culture to maintain and own good personal or organizational reputation.

UAEs reputation is very good among the middle east countries, which is often mixed or generalized to other middle east countries without knowing the facts (P3)

In Abu Dhabi the local families constitute most of the country's wealth, owns the businesses and runs the leadership and holds other higher management positions in public sector. Therefore, knowing these people personally adds value to the role of BC. On the other hand, this is a sensitive matter as the business may be conducted and relied heavily on BC and that requires BC's presence at all times.

Government bodies often require a local people to be next to them and be available at all times. For this reason, a local BC role is very crucial (P1)

BC's network and communication related to it, builds up the biggest data portion of informal institutional section. The reason is perhaps rather obvious, because often MNC does not have the appropriate contacts in the target market nor the understanding the public sector structure, departments and their inter-relation on how e.g., tenders are conducted. The data proves strongly of how important BC's local network and understanding the local client's structure is for any MNC, because the feedback states that conducting business in UAE can be very complicated based on these factors. As of our experience, we call it "how to navigate" within the public sector departments, and to understand who to speak to is essential i.e., understanding and knowing the operational level versus decision makers.

BC's network is crucial, because the way how business is conducted in the UAE. Clients expects BC to communicate with them and in most cases, information is given to the consultant only and BC works in the middle most of the times (P1)

BC to understand and knowing how different departments are linked together and what is their role in a project, plus BC to if it is able to guide who to communicate with, this way the MNC saves a lot of time and efforts in the process (P4)

In general communicating, BC's role is valued when it is timely conducted and follow ups takes place on timely manners. Speaking of cold calls earlier, the role of emails is considered less important and often clients don't reply to them. Emails are an official communication tool in business, but it is not effective channel for the same. What comes to the local client's expectation of the BC, it is common that they expect the communication between the client and BC, and often they wish BC to conduct the business on behalf of the MNC. As mentioned earlier, BC's contacts can be very close and based on friendship, so it is essential BC to have made a proper due-diligence of the MNC and its technology and or products to secure parties' reputation and avoid any mishaps during the course.

Emails are official in the UAE, but not effective communication tool, so BC's job is to call the clients and meet them face to face in order to process effectively (P4)

Clients prefers to interact with a BCs that has a proven track record and by knowing the BC it can "run the show" partly on behalf of the foreign firm. This has to do also with the cultural matters, language and the close relationship between the BC and the client (P1)

Clients trust and rely on the fact that BC has done its due-diligence of the foreign company before introducing them to the clients. This is very essential and sensitive matter for both parties (P1)

Last code of informal constraint theme was religion related feedback, which provided only three comments; religion is not considered as a concern in business relations, however, it is important to understand what it means in UAE and how it affects to business.

Religion does not affect in business decisions (P4)

Summer months can be very quiet, because expats leave the country and also the holy month of Ramadan slows down many processes (P5)

Formal factors to this theme provided lot of data for legislation and institutional factors, on how BC's role as advisory to legal matters affect and eases up the processes, and how BC's understanding of the local company's establishment regulations, agreements and other legislation factors. For example, in UAE wind power is not legal, so understanding the regulations in RE industry is essential, especially currently when many new regulations are established under the de-carbonizing vision 2030. Banking and financial feedback was received, too. Banking industry is considered complicated and BC's advisory on the banking facilities is an added value.

Most important is to understand the local regulations, i.e. what can we done and what not. For example, wind power is prohibited in the UAE. The renewables regulatory information is crucial (P2)

Tables 4 and 5 represent and gathers the key words (codes) of the main categories, that was resulted from the interviews. Informal factors in table 4 is divided into 'culture', 'social norms', and 'network and communication' categories. Formal constraints in table 5 is divided to 'legislation', 'institutions', and BC's expectations by the clients -categories, based on respectively on the interview data. As it can be seen, some interconnections are evident, such as; communication, that represent in all categories in table 4.

Table 4. Informal themes key words of three main categories

Informal themes		
Culture	Social norms	Network and Communication
<ul style="list-style-type: none"> • Language • Friendships • Socio-political • Challenges • Cold calls • Time • Communication • Backgrounds • Mediating • Ramadan • Religion in business • Work timings • Scheduling 	<ul style="list-style-type: none"> • Local families • Availability • Friendships • Reputation • Communication • Demography and population • Bad experiences 	<ul style="list-style-type: none"> • Network importance • Clients expectations • BC – client communication • Hierarchy • Complex processes • Organizations structure • Arabic language • Tendering • BC’s support • Communication • Reliable information • Ethical business • Understanding structures • Emails • Face-to-face meetings • Follow ups • Timely manners • Guiding

Table 5. Formal themes' key words of three main categories

Formal themes		
Legislation	Institutions	Clients' expectations of BC
<ul style="list-style-type: none"> • Government rules • Local sponsor • Local ownership • Limited liability company • Importing licence • Local distributor • Free zone venture • Ownership legislation • Mainland licence vs. Free-zone • Legal factors • Regulations • BC's support • Information • Law firm • Local service agent 	<ul style="list-style-type: none"> • Local banks • Financing options • BC's advisory • Tendering process • Potholes and practices • Information • Entities' practices • Payment terms • Local regulations • Regulatory department • Renewables regulations • Ministry of climate • Department of energy • Regulations information • UAE financial capacity • Institutional structure • Bureaucracy • Paperwork • Attestation • Lengthy processes 	<ul style="list-style-type: none"> • Interaction • Trackrecord • "Running the show" • Close relationship • Culture • Manners • Language • Communication • Relationship • Trust • Due-diligence • Local service • Timely manners • Face-to-face meetings • BC's availability • Trusted relationship • Experience • Solving challenges • Products, solutions • Turnkey solution

5.4.2 Business Consultants' value creation

In this theme the purpose was to collect data related to BC's attributes, that creates an added value to MNC's and as well to the local clients. Data is focused on two main labels; C's competencies and BC's information and knowledge capital.

First of all, MNCs expect BC to have the capabilities mentioned in 3.4.1, and in addition to those they expect BC to understand the RE market status and intelligence well in advance. Having the knowledge of upcoming tenders and their nature is an added value, and as well the capacity to make arrangements for example in participating in tenders and providing the information about the whole process is very valuable to MNCs. Also, being a partner in some projects would be added value i.e., being a co-investor or to arrange an investment party to the MNC.

In renewables megaprojects the BC has to be present locally well in advance (two years) before any projects in order to provide value for a foreign firm (P3)

If BC has a capacity to participate in or arrange tenders for MNC, that cuts lot of expenses in market entry process (P4)

In market entry projects the BC’s experience plays a big part. From the interviews it was evident that the more BC have the experience of the local market and the more it has the information of it, the more it creates value for the MNC and for the process as a whole.

Good BC understands and knows the public sector structure, how they operate and where the budget comes from, which entity orders the equipment and where and how the decision making takes place (P3)

BC's information and knowledge is used to support the market entry mode decision (P4)

Understanding the local market is primordial (P5)

The key words of the two main categories have been gathered in the table 6 below.

Table 6. BC’s value creation key words of two main categories

BC value creation

Competency	Information and Knowledge capital
<ul style="list-style-type: none"> ○ Track record ○ Network ○ Process knowledge ○ Public sector decision-making ○ Process complexity ○ Departments structure ○ Organizations structure ○ Governments vision ○ Renewables energy strategy ○ Arabic language ○ Local presence ○ Timing ○ Renewables megaprojects ○ Cutting expenses ○ Market entry process ○ BC’s capacity ○ Participation in tenders ○ Project management ○ Communication and follow ups ○ Negotiation skills ○ Guidance and advisory ○ Co-investment 	<ul style="list-style-type: none"> ○ Experience ○ Local practices ○ Intelligence ○ Industries knowledge ○ Public sector ○ “Information bank” ○ Field experience ○ Local knowledge ○ Organizations structures ○ Decision-making process ○ Budgets ○ Market entry decision ○ Entry mode decision ○ Local payment terms ○ Industries experience ○ Methods ○ Roadmap ○ Professional service ○ Local market knowledge

5.4.3 Market entry process

The interviews provided lot of data related to the entry process itself, and this section focuses on the key data of the market entry process and how BC is part of that.

At first, and based on the feedback, the process begins with understanding the market, UAE's vision on RE industry, and other initiatives. Interviewees pointed out the knowledge of allocated budgets on the RE projects, general announcements and country's objectives, and other market intelligence that defines the first steps in the market entry process.

Government has allocated large budgets for the renewables projects and UAE have the vision of implementing certain new technologies first in the world and be the leader and example to others, and to prove they are not only Oil and gas country (P1)

We had lot of information available of the UAE green energy initiatives. For example, IRENA documents were useful and we got info on how serious UAE is in investing in RE industry (P5)

Next, market demand was mentioned several times and based on the announced initiatives of the country. However, comments were also made regarding creating the need or responding to the present need i.e., re-active versus active demand. UAE was mentioned being an active country willing to be in frontline and first introducing and implementing new technologies, which provided data for a strong market demand and business opportunities for advanced and creative RE service, solution or technology provider companies.

Matching with the market demand with your solution is the first step. E.g. Disruptive solutions in technology or anything unique has the best opportunities in successful market entry (P2)

The importance of market research and study provided three answers, and I found out that the studies were made by the MNC before contacting the local BC. In one case, the MNC's employee was sent to the country for a couple weeks to conduct and report the market study. During this trip the employee was able to try to find a proper BC candidate as well.

Regarding UAE the study was made and then approached a local agent to get reach to the public sector to introduce the opportunity (P4)

In the entry process, MNC, at some point will require its commitment with a local party, which in most cases is the local BC or agent. In this regard the agreement matter was brought up and as well the different options for a specific agreement. Interviewees also mentioned about the commercial structure of the common agreement with a BC i.e., a fixed fee + success fees of the BC's performance. Success fees are acceptable in cases where the BC is active and participates in the business development process.

The agreements between the BC and foreign firm depends on the project and approach. The main options are: collaboration agreement, teaming agreement, sponsorship agreement, local service agency agreement, commercial agreement, and different MoUs and Lol (P1)

Between a foreign firm and BC the most common is a fixed consultancy fee + success fee of the total contract value. Hourly based consultancy fee is rare and does not often apply in UAE (P1)

5.4.4 Market entry mode

After understanding the first approach of the market entry process and conducting with a local BC, the market entry mode itself is a strategic path for the MNC, because it relates to many factors based on the interviews; Human resources and financial capacity of the MNC, target clients, and strategic approach itself. In strategic context and decision-making process, I also wanted to find out BC's role in the process and how much the BC can or should be involved in the entry mode decision making. This was one of the most interesting data that was collected.

BC role is not to decide foreign firms market entry mode, but the role is supportive and advisory to provide the range of options to each case separately (P3)

Most of the responses was based on the Joint venture or partnership-based entry mode. However, interesting part was that all the interviewees was unanimous about the phased market entry whereas the local BC or agent would be the first phase in order reducing risks, and then in the second phase and subsequently to enter into further JV negotiations with local clients in a presence of BC.

Fully owned entity requires large budget and financial capacity, so in large green energy project it is more feasible to enter into JV with a local string party or with a client (P4)

Phasing is very important, i.e. first agent or consultancy agreement, which follows the actual market entry mode. This way the risks are minimized (P2)

In Middle-East often the only way is to deal only with a local BC in order to achieve progress in market entry, and to save in cost is better not to open a foreign branch if the BC is strong and it has licenses for tendering (P4)

The entry mode is based on the requirements of the MNC and the local client. Some projects can be implemented on public private partnership basis (PPP), and some projects are implemented based on traditional tenders, which often requires MNC's legal presence which can be in form branch of a foreign firm, fully owned subsidiary, JV in form of limited liability company (LLC) with a local individual or corporation party, free-zone private and fully owned company, distributor agreement (for equipment providers for example) or just a local service agent agreement (BC). Each of these modes depends on the purpose and the project, objectives, what the MNC is and how is it selling its products, and what are the expectations and objectives of the local client.

Entry strategy depends on the product and scope. E.g., Solar panel firm might seek a distributor and subsequently a local manufacturing, which then depends on the local client's vision and goals as well (P2)

Other factors related to market entry mode are the financial factors, whereby the MNC is required to have an allocated budget to the market entry project. It was stated that in some cases the expenses amounting up to 500,000USD is considered a low budget. This provides some evidence that for example, for start-ups the entry strategy differs totally from the MNC's one. This and other factors and entry mode strategic matters will be elaborated and analysed further in this paper.

The figures below illustrate and consist the key words, i.e. codes of the interviews' categories and main themes. Koch (2001, 69) in his study debates about the 'market selection process' and 'market entry mode' decision processes, I decided to segregate the market selection process -data from market entry mode data. Market selection process provides the data related to the factors affecting the subsequent market entry mode decision. Market entry mode figure 7 has gathered the key words in main labels related the in-depth results of the entry mode-based data.



Figure 6. Market entry selection process' themes key words

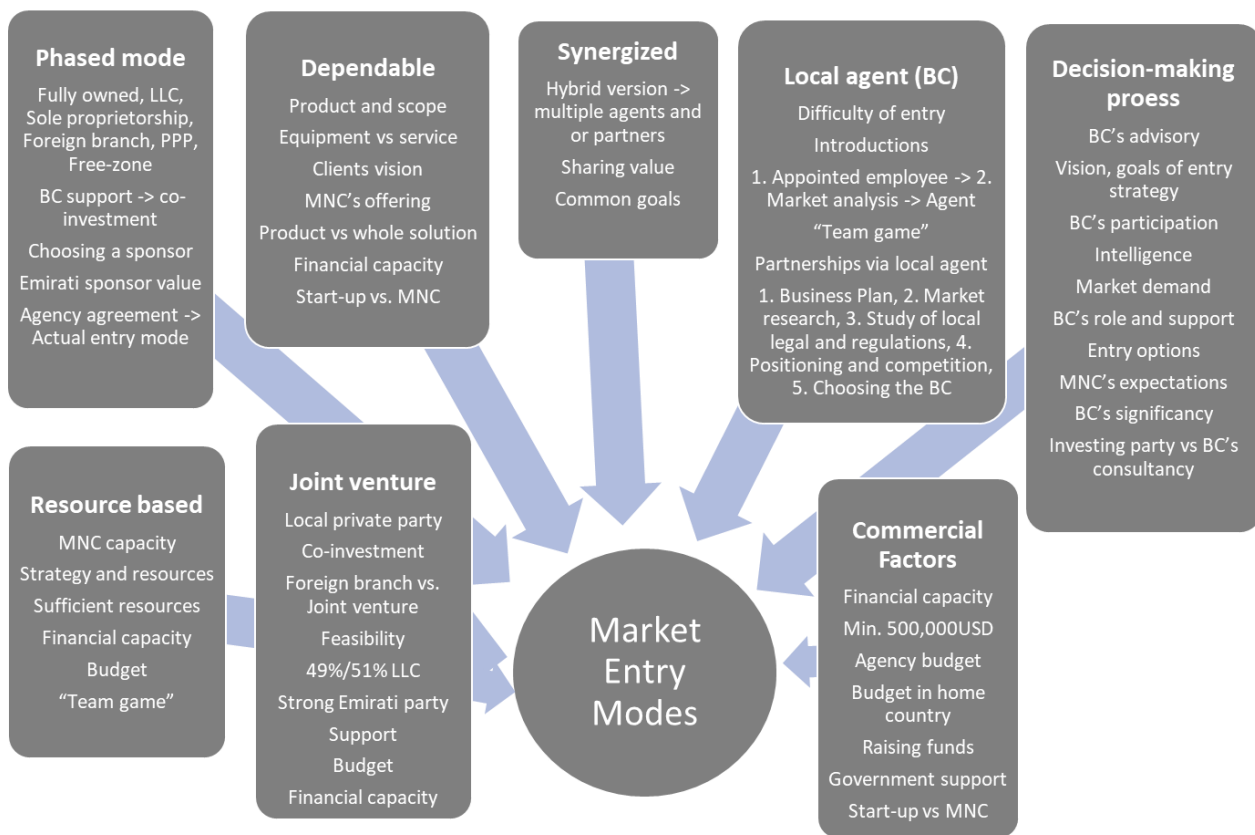


Figure 7. Themes' key words in market entry mode context

6 Research findings

In this section I focus on extracting the main findings from the data, and reflecting it to the literature and subsequently seeking answers to research questions and objectives in Conclusion chapter. The purpose is to analyze, what evidence the data have provided considering the three-tier framework's possible revision and if it proposes different strategic ways of conducting the market entry in this case study context, and what is there to consider in market entry modes decision-making. Therefore, this chapter includes the market entry mode findings, description of the market entry process and the related critical functions such as; the collaboration model, common agreements between the parties, BC's role locally and its scope of work in correspondence, advisory guidance works, and negotiations with the clients and as well with the strategic parties and interest groups. As stated earlier in this report and during writing this, information about the agreement or agreements between the parties are clearer and this section shall be discussed in this chapter as well.

6.1 Market selection process

Koch (2001, 67) has combined different stages for market selection process from literature; 'screening', 'country identification', 'preliminary' -and 'in-depth' screening', and selection. Interviews' findings show, that the selection process in screening phase includes market analysis to find out the institutional factors alongside with the actual market demand. Market demand is based on the announcements and public knowledge of the RE initiatives. In some cases, e.g., a highly disruptive new technology, it is possible to apply market reactively, while in higher market competition conditions the approach would be active and therefore the demand should be created.

In general, UAE is considered geo-politically attractive as it works as a business hub for Asian and North-African markets as well. Various RE project opportunities attracts foreign MNC and proves to be favourable to the Company X. However, the results tell UAE being fairly complex environment what comes to bureaucracy, financial and banking arrangements and official paperwork. These might be factors for some companies to consider the selection due to incur of expenses. However, the Participants state BC's role being crucial in advisory, guidance and active partner in conducting these duties. These factors (Ghemawat 2007, 59-60) are essential in formal institutional context.

Furthermore, the results support positively UAE's being favorable target host country, what comes to the 2030 vision in RE industry and its allocated budgets. During the evolution of this study, there has been updated information (UAE Washington DC embassy 2022) regarding decarbonization goals. In addition, country's stable economy is attractive attribute for Company X, because this can also provide possible public private partnership opportunities.

6.2 Company X market entry mode

Interviews' data finds market entry mode being dependable on several factors such as; company's financial and physical resources, including its know-how based on its maturity level (for example, start-up versus MNC). Dependable of company's resources reflects to the Resource-based-view (RBV) theory (Schellenberg's et al. 2017, 1-3; Sharma et al. 2004, 1-3), that has been introduced earlier. Company's market position makes a difference in decision-making; for example, equipment or physical products' provider shall have different requirements for entry mode, whereas service provider has its own different requirements.

Based on the interviews' data, equipment provider has options for engaging with a local distributor or establish a wholly owned company by Company X's direct investment. However, Rogmans (2013, 194) states that in the event the market is highly attractive and favourable in a sense of institutional factors, all entry modes can be taken into consideration, despite of operation's high expenditure level. Therefore, also a joint venture with a local strong party can be a feasible solution, which is suitable in cases of high transaction cost (Anderson and Gatignon 1986, 3-4). Joint venture was one of the most common entry modes presented among the Participants. It was mainly justified by its economically viability and that it is a way to achieve a beneficial local support for successful activities. Feasibility in this context means, that the risk is shared; for example, on 50%-50% ownership basis.

Anderson and Gatignon (1986, 3-4) also write that the amount of control depends on the entry mode, i.e., the more the market entry costs the more the company retains control, and vice versa. This factor was not mentioned clearly in the interviews, but it was reflected in joint venture answers. Joint venture can provide the company satisfied amount of control, while at the same time benefiting advantages of a strong local party. This depends on the level of agreement between the parties.

As the interview data confirms the market demand being one of the key factors, and UAE currently is seeking the most advanced RE solutions, Company X could consider a wholly owned establishment, including subsequent technology transfer (Hoekman and Javorcik 2006, 185). However, as stated by many of the Participants, the entry should be conducted in phases. During this study, the first phases have been conducted, i.e. market analysis and agreement with the BC. This shall follow by negotiations with the clients regarding a possible pilot project. These phases are proposed by the Participants, before conducting or entering into hefty direct investments or establishment works. Market entry mode options have been studied widely, but the phasing matter is not elaborated in detail.

Related to phasing and after some sourcing web finds 'dynamic' market entry mode (Zhang and Liu 2007, 760) item. This study contains valuable information of the local parties, although again, not specifically about local agents or consultants, but it elaborates the importance of a local partner in context of joint venture:

The local partners of a joint venture can provide MNCs with local content and both market and non-market knowledge, which reduces MNCs' exposure to environmental uncertainties.

Many local partners' indigenous business networks and their knowledge about host-country specific commercial practice and business culture are important assets for MNCs intending to attenuate the negative consequence of business culture specificity.

Joint venture is more effective in reducing environmental obstructions than the wholly owned mode in a dynamic context.

Participants also mentioned market entry being a 'team work', and that companies first assigns an employee for a mission to conduct preliminary studies of the host country. This provides valuable added information, that was not available during the write of literature review. These detailed attributes of the market entry process would require further exploration of the literature.

Compared to the literature review and traditional market entry modes, the Participants mentioned 'hybrid' or 'synergized' solutions in the market entry mode context. By this, they mean a MNC could seek a few or several parties in their market entry project, i.e. a few different agents or mix of agents and distributors. This type of analysis of market entry operation have been difficult to find from literature. However, the downside of so-called hybrid mode is how to control several parties to avoid overlapping in approaching the market, and how to manage the contractual aspect (refer to exclusive agreements). Also, it is

worth evaluating further how the non-traditional market entry modes (Brotheus et al., 2022) would apply or fit in Company X's RE market entry.

6.2.1 Collaboration model

Participants stated the importance of phased (or now dynamic) market entry, whereby MNC should first choose a good local business consultant, and all Participants mentioned that local consultant's role is significant after the market selection process. Participants valued most that BC's role is to support and advice in institutional factors, for example banking, finance, culture, business habits and so on. However, most repeated answer was importance of BC's network and business connections, and how important BC's professional correspondence and timely follow-ups with the clients is.

Market entry to a new country is far from easy operation. It is considered a lengthy and difficult, or complex project. Therefore, 'team play' was mentioned in the context of collaboration between Company X and BC. Scope of works of each party shall be agreed carefully before entering into further exploration.

What comes to intelligence, or better, to information and knowledge capital (Stenberg 2023, 17-18; Karlof 2002), the data finds, that value of BC is considered in areas of intelligence, which means information about upcoming public sector projects, because one of responders stated that megaprojects should be known up to two years before tendering. Other intelligence means market knowledge, connections, interconnection between different government entities. Other added value of the BC is Arabic language, participation in market entry mode decision-making, and other strategic works that support the market entry. One of the Participants wished BC to be the entity with co-investment or the party for a joint venture.

6.2.2 Agreements between the parties

Research data show, that the common agreement between BC and MNC should be 'local service agent', '-commercial', '-representation', '-sponsorship', '-consultancy', or 'collaboration agreement'. Management contract (Ivanova et al. 2016, 3-24) was not mentioned among the Participants, however, in the event of a client wishing to grant management rights of a specific venture and activity to BC, then such a contract would suffice.

Sponsorship -and local service agent agreement are synonyms in business context in the UAE, the rest has some slight differences, but the purpose is the same; BC being an exclusive representative for the Company X for the purpose of developing and consulting Company X's business in UAE and to find and negotiate the correct co-investing party, client, or for example a distributor.

MNC shall subsequently enter into separate agreement or agreements, based on the successful process with BC. Depending on outcome, an option can be a joint venture agreement, partnership agreement, investment agreement and so on. In tendering processes in public sector, the successful contract award leads to its own agreement with the client, such as; local purchase order (or agreement), followed by a Non-disclosure agreement which protects each party's intellectual, immaterial, personnel, and other rights.

Based on the research evidence, MNC's options would be entering the market in phases by a hybrid method, i.e., to enter into agreement with a couple different agents for specific purposes, and subsequently to sign a distributor, JV or such agreement.

6.2.3 Commercial terms and formula

Data finds, that a monthly fixed fee should be based on the BC's scope of work. In case the BC is passive and doesn't participate in business development, then a fixed annual fee should prevail. In case BC is active consultant and participates in business development, then fixed fees shall be agreed on monthly basis. Active BC should therefore be entitled to performance-based additional fees, too.

Hourly based consulting fees does often not apply in the UAE, but certain time and material-based compensation is common practice. Nowadays, even MNC's are not willing to pay heavy front payment fees, before BC has been proven its capabilities. Therefore, sort of piloting or testing period applies to verify the collaboration's functionality.

Agreement types between BC and Company X was listed in 4.2.2. To those agreements, findings say the most common commercial formula is fixed compensation, that can be anything varying monthly to annual payments, plus a compensation based on performance. This fee is known also as 'Success Fee' or 'Commission'. This fee is agreed between the parties, which is a percentage of the net or gross profits, or of the total end client contract value. Total contract value means the MNC's total turnover of their scope of work of their client contract. Most of the megaprojects involves several suppliers and vendors, so the

success fee cannot be calculated from the total project bill, but of the MNC's actual contract value.

Market entry or internationalization literature doesn't provide much info of actual principles of formulas of commercial terms between MNC and a local business consultant in a host country. The reason might be, that it is completely up to upon the parties what they agree. However, in the UAE the fixed 'sponsorship' fee was regulated in the past, but have now been lifted by the UAE government (Ministry of Economy 2023). Also, the parties can still sign and attest a local service agreement and the fixed fee can be included, which often is negotiated in the agreement. The amount depends on certain forecasted parameters of the host country's economy and the target market estimations, plus for example, MNC's turnover (e.g., startups often can't afford large fixed sums).

6.2.4 Addressing the projects

Projects' identification in host country is one of the BC's duties, after the market selection has been conducted and the parties agree to work together. As stated earlier, megaprojects require intelligence by BC up to two years before tender or request for information (or interest) (RFI) release by a client. Responds show this phase being essential to conduct appropriately, i.e., how to address a project to the Company X. In some cases, MNC has a specific target project they wish to participate in, but in many cases MNC's have a just a target market, but not a clear visibility or confidence which public entities are involved in an upcoming projects and what type of tenders would be released. This due-diligence duty is conducted by BC. Once the relevant and substantial information has been gathered, BC shall address a project to Company X, by presenting the primary information about the upcoming opportunity. By this way, Company X is able to line up its resources accordingly and start initiating for market entry mode phase.

6.2.5 Network and Communication

This part of the research and in market entry consulting context is perhaps one of the expected attributes that MNC's expect from BC. Based on the results, the MNCs decision-making on choosing a BC can strongly be based on the strong network and experience of the BC in a particular market. Network and business relationships is significant (Benesh 2008, 195), and usually these are required to be proved by BC, and this is often piloted (or

tested) by MNC. The reason for this being so important is the difficulty of entering the market in Abu Dhabi, so the MNCs feel that BC must have certain appropriate connections in order to have a better probability in successful entry.

Communication and client follow-ups build a significant part of the market entry process. Both MNC and clients in Abu Dhabi expects BC to take care of the day-to-day correspondence with the clients. Clients prefer communication with BC, because there might be previous business relationship, common Arabic language, and same cultural values and habits. From the MNC point of view, in addition to the previous reasons, the reason is the distance (Chua et al. 2020, 467-468) and time saving matters. BC as a local party is expected to provide reliable information on timely manners based on the agreements and to conduct appropriate follow-up correspondence about the evolution of business processes with the clients.

6.2.6 Business and market Intelligence

As stated earlier, the Participants from MNC side expects BC to be an experienced firm with an advanced intelligence and understanding of the RE market and knowledge about upcoming trends and possible projects. BC's information capital (Lonnqvist 2003; Mettanen and Stenberg 2023) is an added value in market entry process and can create one of the cornerstones of the collaboration between the parties. The Participants from local consultancy side sees, that the most important attribute of the BC is the local knowledge business practices and on how markets and client organizations tend to function and operate. Especially, BC's knowledge of public sector structures and interconnections between different departments support positively MNC's entry process. Also, knowledge of the ministry level departments such as Ministry of Climate and Department of Energy plays big role in the context of RE regulations, RE projects decision-making, and RE budgeting related attributes.

BC's added value in understanding the hierarchy inside the departments is significant. Understanding the difference of how the public sector's operational level and management level operates is crucial, and where and how the decisions are actually implemented.

Another business process level -and intelligence attribute are the policies and function of procurement departments in public sector. These are formal procedures, whereby a foreign firm shall register and apply on vendor-, supplier-, or manufacturer portal and apply

for subsequent qualification for the same. It is important to acknowledge, that a firm's successful qualification in supplier registration process does not guarantee a successful shortlisting in public sector, and the government entities may conduct a separate assessment of their own during the tenders. (Abu Dhabi Government Procurement Gate 2023)

6.2.7 Negotiations

Negotiations means the agreement negotiations between Company X and BC, negotiations between Company X and a local party (for example JV partner), and eventually negotiations between the end client and Company X (for the contract award).

BC's role in partnership agreements is on advisory level and BC provides its commercial and financial knowledge and opinion on percentages, strategic negotiation advisory, and general guidance on conducting the agreement successfully into signatures by the parties. BC does not decide on behalf of Company X. Often decisions are made mutually.

In the event of end client award, which in RE industry has not occurred yet during writing this, but based on the responds, BC's role is to participate in costing and pricing preparations what comes to tenders, and in subsequent price and agreement negotiations between the client and Company X. In conclusion, BC is expected to participate and provide consultancy during the whole process of the market entry.

6.2.8 Interest groups and strategic parties

Successful market entry, in cases without fully owned and direct investment, often requires certain external parties and interest groups. Participants mentioned that BC is expected to introduce them appropriate local parties to establish a JV. In some cases, the duty is to find and negotiate other co-investors, too. Often, in intelligence works, some strategic parties, who operates as independent consultants, are required in ensuring and in cross-check-examination of certain market intelligence to secure non-risky business development. These strategic parties usually require an agreement with the BC to secure their commercial and professional interest. Sometimes, for example, a local JV party is represented by a separate consulting firm, which therefore requires a separate agreement for same purposes.

6.3 Market entry mode process description

Research findings alongside the analysed literature suggests a market entry in different stages, based on Company X's resources matching with the market demand. BC's role and scope of works have been analysed of the interview findings. Market entry mode itself has been evident after the findings, and it is suggested as a form of partnership with a local investor to reduce financial risk and increase a successful market entry probability by having an influential local business party for the establishment.

BC's business process description illustrated earlier in Figure 3., is now embedded and can be seen in a proposed overall market entry mode process description in Figure 8. This process shall visualize of how BC supports the Company X's market entry, and therefore aims to response to the objectives of this study, too.

Earlier in Figure 5. The preliminary entry process was described based on the phenomena, which is now updated in Figure 8. based on the research findings. Figure 8 is elaborated in chapter 7.

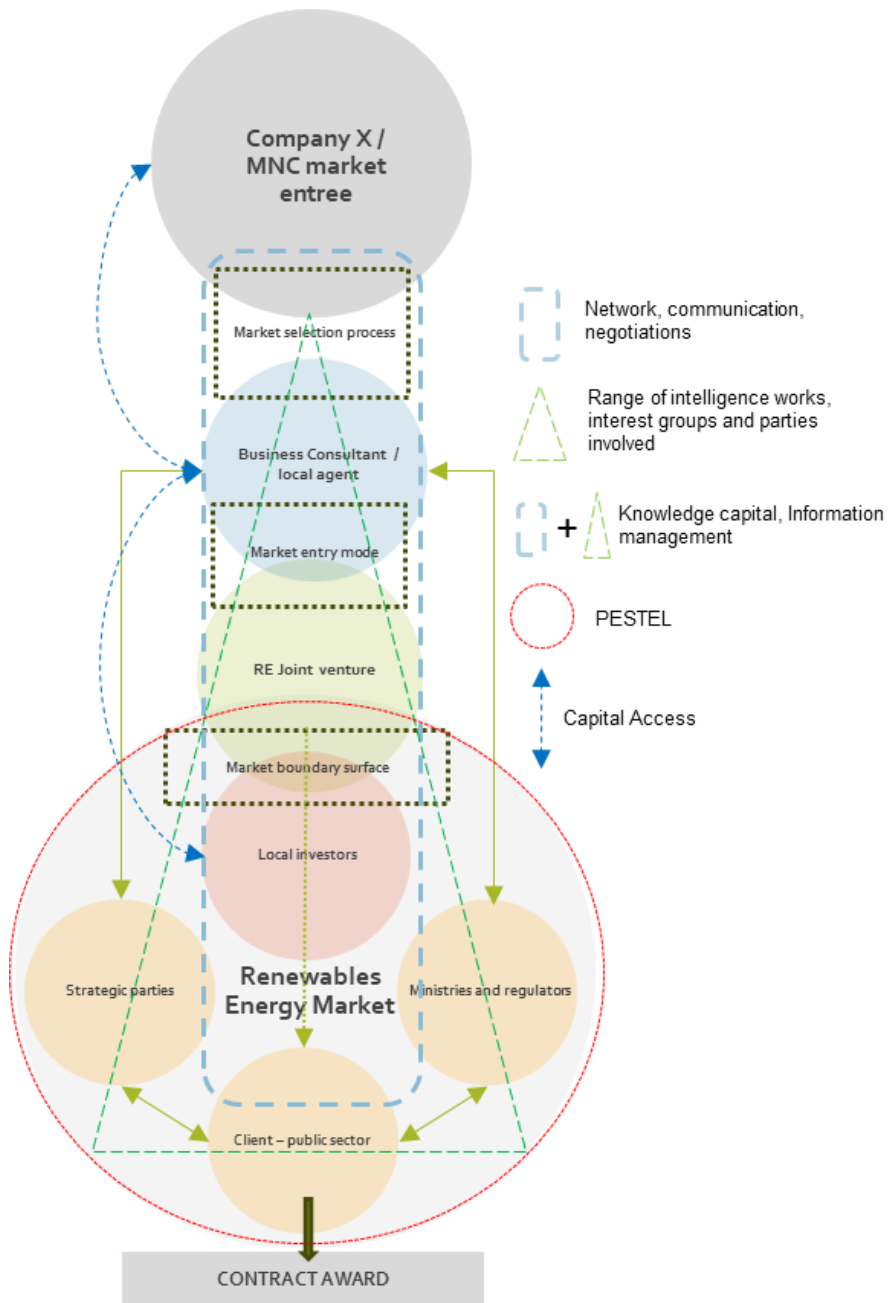


Figure 8. Market entry mode process description

7 Conclusions

It can be said, that economical and financial interests are the drivers of this study, meaning that the phenomena as a transaction and future business opportunity for both Company X and BC has built the basis to study this case. However, as mentioned earlier this study has ethical and larger big picture, long-term goals, too.

During write of this study, new announcements has been released and foremost by the global COP28 UN climate change event held in Dubai in December 2023, where first time in the history all the participants agreed on reducing carbon footprint significantly by stating it as “the beginning of the end of the era of fossil fuels” (UNNC COP28 2023).

The following conclusive chapters are chosen based on the most repeated and most important research findings alongside with the relevant literature to the research questions and objectives of this study. The below chapters seek to provide clear answers to the research questions.

7.1 Information and knowledge capital

BC’s business and its operation were illustrated in figure 3. That is the standard process in BC’s common project with its client. This still did not explain or show how BC actually conducts its operation, for example, on its internal level. Market entry and business consultancy in general, as it has been found out from literature (Stenberg 2012; Ojala 2008) and findings, requires it vast amount of information to store, develop, utilize, and to transform it to company’s information management, so that the company can be led by the gained experience with all that information, so that it can subsequently create more value to its clients and as well for the end clients.

Figure 5 illustrates the pre-composed framework of this study. In this figure, BC’s business process was embedded first time, and figure 5 was the base for research interviews. The research findings alongside with literature (table 2.) added an understanding of different theoretical market entry modes (Anderson and Gatignon 1986, 5) and the information and experience-based knowledge requirements that BC should have. After the interviews, it provided an in-depth understanding what are the required competencies and knowledge capital BC has and what not. BC’s value creation for Company X and end clients was listed as a key word by themes in table 6, which enlightened about the broadness of re-

quirements on competency and knowledge level. Both market entry mode (figure 7.), including figure 6., and BC value creation -findings provided evidence of the essence of information and its value for BC's overall business and its future strategic development (Stenberg 2012; Ojala 2008). It is important to acknowledge, that in most of the market entry literature the BC related details or requirements in the MNC market entry process - context are not discussed nor studied, so as for a beneficial result of this study the interviews provided valuable external information and feedback for the BC's strategic development.

The attributes of information management and knowledge as a BC's capital, became an essential cornerstone during this study. First of all, as mentioned in the interviews, BC should have a knowledge two years prior a tendering phase of an upcoming mega-project. This alone sets out the level of challenge in overall BC business. Therefore, as a BC's strategic development point of view, this study has provided a valuable information on how it should utilize this valuable information (Lonnqvist and Mettanen 2003)

Figure 8 show the boundaries of the information where BC operates. Those are the external operational levels of communication, where the influence and negotiations are conducted. These operations and as an operational change, BC is recommended to transform into its internal strength and leadership based on its experience and gained knowledge. These are, for example, revising and developing the utility of balance scorecard, development of human resources (Ulrich 1997), and strategic development of the diverse project portfolio and the analysis of competition factors (Porter 1998) and RE market changes.

The successful utility and coherent development of information management and knowledge leadership together responses partly to the research questions of this study.

7.2 PESTEL

BC's support is largely based on the required competency and knowledge gathered in research findings and discussed above in 7.1. However, 7.1 elaborated more on the BC's internal strategic development factors, although it responses well to the research questions, too.

As figure 8 show the layers of BC's scope of work, the significance of market entry lies strongly within the segments of PESTEL -knowledge. By knowing the institutional factors (table 4 and 5), BC can provide a great value for an MNC. As research finds, PESTEL segments are a part of the preliminary study by MNC and during the market selection process (figure 6.), which then is followed by BC to provide its services based on the local knowledge. Most of the PESTEL analysis information can be found from publicly posted articles, news, studies and so on. However, it is expected that BC provides most of this information to MNC.

7.3 Communication and networks

Regarding the findings (6.3.2) and as well the literature (Ojala 2007, 50), the influence and capacity of BC's -, and within its communication layers, and network of substant contacts and local relationships became perhaps the most valuable "product" due to MNCs by BC. The significance of networks (Pushpa 2021, 96) is evident. This can be assumed, as many MNC's have the capacity and resources (Schellenberg's et al. 2017, 1-3) for conducting several required stages of the market entry process, but networks and correct relationships, as referred in Uppsala model (Johanson and Vahlne 2009), in the host country are the ones MNCs often cannot find or create in timely manners, or due to cultural constraints (Al-Khatib et al. 2004).

BC is expected to communicate with the end clients, and it was seen as an added value to MNC alongside with the knowledge of local institutions and organization structures and their relationships before and during tendering and project phases, so the communication and network layers of BC, that is illustrated in figure 8, provide answers on how BC can support Company X in market entry project.

7.4 Market entry mode selection and recommendations for Company X

This study provided comprehensive amount of information and findings related to the criteria of market entry mode selection. At first, selection depends on a company's size, resources and maturity of the foreign company. Resources means both human knowledge and immaterial capital and financial resources (Stenberg 2012). Company size and maturity reflect to company's financial capacity and the resources of how a company can bear the time related investments in host country entry process. As elaborated earlier, the

market entry process is a long “team play” (figure 7.) process that has to be taken into account at early stages considering company’s budgetary and other expenditures

Secondly, MNC’s international relationships and network plays a role. Each country may have a government’s branch in host country to develop country’s export to the host country, and which is financed by home country (for example Business Finland). These entities support in finding a suitable agent (BC) or, for example, a local distributor. This relationship in many cases is considered as formal one (Ojala 2007, 51-53). On the other hand, and based on Uppsala and network theories (Pushpa 2021, 96) and the importance of informal contacts (Dymitrowski et al. 2019, 1054), it would be beneficial MNC’s having these types of contacts in advance, and based on the research findings, that entry process is considered being a “team play” (figure 7.). BC is categorized as ‘third party’ contact (Ojala 2007, 51-53), but can represent as both informal and formal contact depending on each case separately, and in supporting in the entry process, BC’s scope is to provide all three types of contacts. According to process description in figure 8, the local investors are often both formal and informal relationships, strategic third parties are often informal based on the long-trusted relationship, and regulators, ministries and clients are mainly formal networks. However, in the local community networks within the public sector departments are often informal contacts based on the history and habits (Al-Khatib et al. 2004).

Thirdly, the entry mode decision depends on market demand (UAE Washington embassy 2023) versus offering alongside with the competition in the host country. In addition to demand, the environment attractiveness from institutional point of view (PESTEL) has to match in order to evaluate the potential entry mode options. (Rogmans 2013, 194)

Fourthly, once the market demand and PESTEL segments are recognized as favourable, the market entrees product or service offering affects to the level of desired control in the host country. Here, the transaction cost theory applies (Anderson and Gatignon 1986, 3-4); fully owned establishment or acquisition provides most control, and vice versa, for example, a contractual agreement with a local sales agent in host country or indirect export mode provides least control (Pan and Tse 2000, 538) (depending on exact terms in each contract). Entry mode decision shall be made based on MNC’s own analysis mutually by consulting and advisory works of BC.

This recommendation’s purpose is to bring together the conclusion of this case study as a part of BC’s scope of work on how it can support the RE market entry. Research findings alongside with the evident market demand and studied PESTEL elements and illustrated

market entry mode process are gathered in the figure 8, and according to that and the previous chapter the recommendation is described herewith.

The difficulty in entering to the UAE has been elaborated in the interviews. Several factors, such as; cultural, networks, institutional distance (Shenkar and Xu 2002, 610), bureaucracy, and MNC's resources and knowledge together makes the project challenging. It is been found, that MNCs prefer, in the first entry phase, to engage with a local agent due to the financial risk is low, but on the other hand the level of control is low (Hollensen, 2016, 343-345). BC's position is to be the local agent in phased entry method. In order to increase MNC's control, it requires, most favourably, to engage with a local investment and business partner. BC guides during this stage and utilises its informal and formal networks. Once a correct party has been identified, BC and MNC together negotiates with the local party of the terms, business plan, and investment.

The market is considered favourable, excluding certain formal institutional challenges. At the same time as the technology transfer is one of the objectives of Company X, but the technology itself is not fully disruptive nor fully proven, it is considered involving a risk due to rapid tech development in the industry. Therefore, fully owned establishment is considered as high risk due to the high transaction cost, so the proposed entry mode would be a joint venture. (Hoekman and Javorcik 2006, 207; Rogmans 2013, 194)

In non-traditional entry modes (Brouthers et al. 2022, 2098) and as an option to Company X, it is proposed first to seek a foreign investment from the host country to the home country before the UAE market entry (= capital access). This was one of the aspects that was not clearly elaborated in the traditional entry modes. This means, Company X could raise funds for research and development, to prove its new technology, increase production and improve processes. Host country market entry would follow at the later stage. In capital access BC's role would be in support of finding a suitable local investment party and participate in the negotiations and correspondence whenever deemed necessary.

At later stage, in JV negotiations, the level of control shall be decided. This also depends on Company X's resources and subsequent amount of investment, and other terms in the establishment agreement, such as; option to buy further shares by parties and so on. Bottomline is, that the more the local party have shares, the more the local party gains control. The other purpose of JV with local party, is to gain effective access to the market by local party's experience and strategic parties.

BC's overall conclusion and scope of works is illustrated in figure 8, to provide an understanding of the requirements within the layers and different key parties and stakeholders in the total process.

8 Discussion

This development journey has enlightened and broaden more the understanding of MNCs internationalization process, its dynamics and different variables. It has provided further consideration to BC's business processes, especially what comes to strategic development and utilization of its different capital and assets.

In international market entry context different terms may have a similar meaning. For example, 'equity-based subsidiary entry mode' means 'fully-owned subsidiary'. Both of these means 'direct foreign investment', which has the most control for a MNC but it bears the highest cost at the same time. However, in international business context to understand different terms are essential, because different regions tend to use different terms and phrases. In beginning of this work, it was rather complicated and it required lot of orientation to learn the terms.

Increasing the understanding of successful RE market entry in the UAE, it first required the proof of opportunities and documents related to the phenomena. Documents were gathered by local news, articles, government statements and reports of RE goals in UAE.

Secondly, the study of process description in seeking different alternatives of feasible and viable solutions to the market entry. This part was supported well by the literature and subsequently the interviews provided a combination of answers, which was gathered to the overall process description. The description aimed to provide the information about what is needed to know when entering the market. Considering the broadness of the topic, I believe it concluded well the understanding of BC's role and its essential scope of work in order to support in market penetration. Personally, I believe this would help other MNCs to consider different aspects and options of a strategic market entry, too. One may say I am too biased to make such statement and question the reliability of it, but in the end results were based on literature and empirical data.

Thirdly, understanding and researching the institutional factors, those collected also from interviews of experts having experience from the country, provided valuable key points of

the common problems in internationalization projects, and stating how BC can solve these issues. For example, the value of BC recommending a joint venture instead of wholly-owned entity based on Zhang and Liu's (2007, 760) statements and Participants feedback, provides an increased understanding of a viable entry mode.

Fourthly, the different options for market entry and contractual aspects were provided and recommended, based on the overall data of this study, ensuring Company X has the necessary information and support for the project

This paper has been written between spring 2021 and December 2023. The RE market has been in motion and during this timeframe many technologies have been questioned, and often the issue is related to high production cost or equipment's slow production capacity and so on. This has been affected for example to entry mode decision-making and financing matters. It is been highly motivating to find information to this study. I believe it has provided a valuable personal learning model, that can be integrated to BC's management for considerations and further executions, and as well transfer these findings to BC's client works.

Considering the validity of this work, I would say the timing for this topic is relevant. The lack of literature and studies of a local consultant or agent point of view, I hope this paper provides valuable information for foreign companies those planning entering in the UAE market. From this paper, the reader should now get a better understanding of what BC - type of firms do and how can they support in market entry mode decision-making or in general international business development matters. After reading this, the reader should have better image of the importance of a local agent and what to expect from them.

I had five highly experienced international professional's interviewees for the empirical part and I believe the data collected of them it structured nice analysis section with the literature. The data received was very practical and straight to the point, which was easy to adapt with literature. Of course, it would be beneficial to receive more detailed market entry phrases and theoretical terms, but that was not the most important attribute in the interviews in my opinion.

Although I gathered a good amount of literature (until I felt I reached a saturation point and after understanding the synonyms), I wish I would have more time to explore and read

more books to seek after those details I was referring time-to-time in this study. For example, is it really true that 'local agent's' information and more comprehensive analysis of them in the market entry literature is lacking that much? If that is the case, that would be something worth studying further, because based on the findings BC's role is essential. Also, for further strategic development of BC, it could consider for example a proven framework such as entrepreneurial methods of Lean Strategy and Effectuation (Collis 2016; University of Virginia 2011). These were just some of the delimited subjects in this study.

What comes to other reliability factors, personally I sometimes felt if I were too biased for writing the content concerning the BC matters. However, I hope I managed to keep my writing as objective as possible, and base the study purely on research findings, literature and BC's past experience facts. Also, the sensitivity of this case due to the project being in process and certain business technical aspects have not been concluded, it did not allow me to disclose parties' names nor more detailed information about the RE project itself.

Personally, I trust this study provides answers to research questions and objectives of the work. However, I would like to underline, that RE market entry has pretty much the same principles than in other conventional market entries. By conventional I mean non-digital service provider and market entry. Therefore, it was worth mentioning about the non-traditional entry modes and to see what could be considered in this case study. Brouthers et al.'s (2022, 2098) study is very recent compared to many of the traditional market entry literature, so assuming there will many more studies following due to the digitalization and A.I.

Digitalization was not part of this work, because for this study it had minimal meaning. However, digitalization would be a good option for future studies. For example, how digitalization and AI could help or improve BC's processes, and for MNCs would it be possible to enter the market in more agile way. Would a platform or online application solutions be a part of BC's business in the future? How it would affect to all personal contacts and human factor in this business? For example, how processes could be made easier for investors. Personally, and generally for internationalization projects this topic is important, because this would probably solve many time-related challenges and reduce capital and operational expenses of the parties.

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Attachments

Annex 1. Documents directory of phenomena

Document title	Item category	Source
COP28 Agreement Signals “Beginning of the End” of the Fossil Fuel Era.	Press release 13 th Dec 2023	United Nations Climate Change. 2023
ENERGY SECTOR REGULATORY FRAMEWORK	UAE Government regulatory statement	Department of Energy – UAE. 2023
Exclusive: Energy storage solutions critical component of transition, says Masdar COO	News article	Al Arabiya News, 2023.
UAE targets 15 million tonnes of green hydrogen production by 2050 as it approves national H2 strategy.	News article	Hydrogen Insight. 2023.
Land Rent Incentive Program	UAE Government regulatory statement	Industrial Development Bureau. UAE government. 2020.
REmap 2030 – Renewable Energy Prospects: United Arab Emirates, 2015	Official report	International Renewable Energy Agency – IRENA. 2015
Renewable energy: UAE launches plan to achieve net zero emissions by 2050 - The Economic Times	News article	The Economic Times (Reuter). 2022
Abu Dhabi's deepening capital markets are becoming an engine of economic growth.	News article	The National News. 2023.
UAE Energy diversification	UAE Government statement	UAE - Washington DC Embassy. 2022
The UAE's Role in the Global Hydrogen Economy.	Official report	Friedmann Julio Dr., Mills Robin, 2021. Qamar Energy
UAE to Invest \$54B in Renewable Energy as Part of Net Zero Goal	Article	L., Jennifer. Carbon credits. 2023
What lies ahead for electric cars in the UAE	News article	Wilgress-Pipe, S. The National 2023

Annex 2. Research interview questions

To the local consultant experts:

1. Based on your experience, what factors affect most in foreign companies' market entry decision making?
2. What is the common RE industry practice in the UAE? (Social norms, network...)
3. How do you see BC's exact role and position locally in foreign firms' market entry process/project?
4. How a local BC can support best in foreign firm market entry project
 - a. -> What competencies, knowledge should be in place and what are the most valuable ones and why?
5. What type of strategy should be implemented in RE market entry? What factors play role?
6. What do you think the local clients expect most of the local BC?, and how the customer relationship shall be managed?
7. How much and how BC should participate in the clients' market entry decision making process, if applicable?
8. Why foreign green energy companies should enter the RE market in the UAE?
9. What market entry mode would suit best for a foreign green energy equipment provider company? Why?
10. What are the main institutional or other external factors in market entry process to take into account? And how BC can support best in this matter?
11. What type of agreements you would prefer between the market entrée and BC? , and what about commercial terms?

12. Are there any other factors that BC should remember in order to achieve success in the market entry activity to UAE? (Role of consultant, market entry mode? RE industry?...)

To the client and MNC organization experts:

1. In your previous internationalization engagements, could you elaborate your general experience with a local BC if any?

-> sub-questions: what type of market entry?, what type of agreements?

2. What type of challenges have you faced in internationalization projects?

3. What made you consider to expand your business activities to the UAE?

4. How well do you know the UAE's RE market? If well: how have you gathered this industry information?

5. How about institutional knowledge? What factors concerns you most? (culture, legal, regulations, bureaucracy, religion...)

-> How do you think a local BC can support you in this?

6. What type of competencies you expect most from BC, when choosing a BC to support your market entry to the UAE?

-> Any other expectations you may have for the BC?

7. What type of market entry strategy your organization currently have for the UAE expansion?

-> If yes, how the market entry strategy framework has been conducted?

-> What factors affect to your decision?

8. How much the local BC can affect to your decision making in the market entry? -> do you want them to be a part in the decision making?

9. Based on the above, what services and scope of works do you expect most and want to order from the BC?

-> Please elaborate more on BC's role if possible?

10. What type of commercial terms you would prefer between your organization and BC?

11. Is there anything else you want to share related to this topic?