



SEINÄJOEN AMMATTIKORKEAKOULU  
SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

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## **Collection of Case Studies on Lamidoor's Exotic Exports**

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School of Business and Culture

Bachelor of Business Administration, International Business



SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

## **Thesis abstract**

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This thesis is an examination of Lami Ltd's operating practises regarding exotic trade. Exotic trade in this context is export to countries outside of the EU or the UK. Muovilami is a long-standing company based in Ähtäri in the Finnish region of South Ostrobothnia.

The goal of this thesis was to improve the process of trading with countries in which the company does not have subsidiaries or agents.

The thesis was carried out as a collection of case studies, based on the archives of Muovilami Ltd as well as on interviews with the staff and customers of their export department. The transactions examined in this thesis took place between 2018 and 2022.

<sup>1</sup> Keywords: Lami, Muovilami, export, international, case study, GRP, doors, Myanmar, Pakistan, Australia,

SEINÄJOEN AMMATTIKORKEAKOULU

## Opinnäytetyön tiivistelmä

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Tässä opinnäytetyössä tarkastellaan Muovilami Oy:n toimintatapoja eksoottisen kaupan saralla. Eksoottinen kauppa on tässä yhteydessä vientiä EU:n tai Yhdistyneen kuningaskunnan ulkopuolisiin maihin. Muovilami on pitkäikäinen yritys, jonka päämaja on Ähtärissä Etelä-Pohjanmaalla.

Opinnäytetyön tavoitteena on sujuvoittaa kaupankäyntiä sellaisten maiden kanssa, joissa yrityksellä ei ole tytäryhtiöitä tai edustajia.

Opinnäytetyö tehtiin kokoelmana tapaustutkimuksia, jotka perustuvat Muovilami Oy:n arkistoihin sekä vientiosaston työntekijöiden ja asiakkaiden välisiin sähköpostikeskusteluihin. Opinnäytetyössä tarkastellut liiketoimet tapahtuivat vuosien 2018 ja 2022 välillä.

<sup>1</sup> Asiasanat: Lami, Muovilami, vienti, kansainvälinen, tapaustutkimus, GRP, ovet, Myanmar, Pakistan, Australia

## TABLE OF CONTENTS

|  |    |
|--|----|
| Thesis abstract .....                          | 1  |
| Opinnäytetyön tiivistelmä .....                | 2  |
| TABLE OF CONTENTS.....                         | 3  |
| Pictures, Figures and Tables .....             | 5  |
| Terms and Abbreviations.....                   | 6  |
| 1. Introduction.....                           | 8  |
| 1.1 TLDR.....                                  | 8  |
| 1.2 Thesis Layout .....                        | 9  |
| 2. Starting Point of Development. ....         | 10 |
| 3. Research Methodology & Framework.....       | 11 |
| 3.1 Qualitative Research .....                 | 11 |
| 3.2 Why Not Quantitative Research?.....        | 12 |
| 3.3 Why Did I Choose These Methods? .....      | 12 |
| 3.4 Advantages & Disadvantages.....            | 13 |
| 3.5 Theoretical Framework .....                | 13 |
| 3.6 Advantages & Disadvantages.....            | 14 |
| 4. Literately Review. ....                     | 15 |
| 4.1 Introduction.....                          | 15 |
| 4.2 Regulatory and Compliancy Barriers .....   | 15 |
| 4.3 Logistical Challenges.....                 | 16 |
| 4.4 Market Competition and Pricing.....        | 17 |
| 4.5 Cultural and Business Practices .....      | 17 |
| 4.6 Strategies for Overcoming Challenges ..... | 18 |
| 4.7 Conclusions .....                          | 19 |
| 5. Cases .....                                 | 20 |
| 5.1 Methods of Acquiring Information .....     | 20 |

|  |    |
|--|----|
| 5.2 Time frame of transactions .....       | 20 |
| 5.3 Pakistan 2018 .....                    | 20 |
| 5.4 Australia 2019 .....                   | 24 |
| 5.5 Myanmar 2022.....                      | 26 |
| 6.Validity & Ethics .....                  | 32 |
| 6.1 Validity.....                          | 32 |
| 7.1 Ethics .....                           | 32 |
| 7. Conclusions & Recommendations .....     | 33 |
| 7.1 Recap.....                             | 33 |
| 7.1 New Role at the Company.....           | 33 |
| 7.2 Default AD .....                       | 34 |
| 7.3 Recommendations for Further Study..... | 35 |
| BIBLIOGRAPHY .....                         | 36 |

## **Pictures, Figures and Tables**

Figure 1. Hofstede Cultural Dimensions Comparison.....17

Table 1. Value of Imported Goods/Licence Fees.....28

Table 2. Fees/Penalties for renewing the license. ....29

## Terms and Abbreviations

|                |   |
|----------------|---|
| <b>€</b>       | Euro  |
| <b>\$</b>      | US Dollar   |
| <b>AD</b>      | Accredited Dealer                                 |
| <b>ADB</b>     | Asia Development Bank                             |
| <b>CFR</b>     | Cost and Freight                                  |
| <b>CIP</b>     | Commonwealth of Independent states                |
| <b>CIS</b>     | Carriage and Insurance Paid to                    |
| <b>CPT</b>     | Carriage Paid to                                  |
| <b>DAT</b>     | Delivered at Terminal                             |
| <b>DHL</b>     | Dalsey Hillblom Lynn (Name of a shipping company) |
| <b>EU</b>      | European Union                                    |
| <b>FE</b>      | Foreign Exchange                                  |
| <b>HSBC</b>    | Hong Kong Shanghai Banking Corporation            |
| <b>ITC</b>     | International Trade Centre                        |
| <b>LC</b>      | Letter of Credit                                  |
| <b>Ltd</b>     | Limited Liability Company                         |
| <b>OCBC</b>    | Overseas Chinese Banking Corporation              |
| <b>R&amp;D</b> | Research and Development                          |

|             |                        |
|-------------|------------------------|
| <b>SC</b>   | Standard Charter Bank  |
| <b>SPB</b>  | State Bank of Pakistan |
| <b>TLDR</b> | Too long didn't read   |
| <b>UAE</b>  | United Arab Emirates   |
| <b>US</b>   | United States          |
| <b>UK</b>   | The United Kingdom     |
| <b>VAT</b>  | Value Added Tax        |

## 1. Introduction

This thesis is an examination of Muovilami.ltd's (from here on onwards referred to as Lami) operation practises regarding exotic trade. Exotic trade in the context of this company concerns exports to countries in which Lami does not have agents or subsidiaries.

The company has subsidiaries or at least agents in Finland, Sweden, Norway, Demark, Poland, United Kingdom, and Russia. The Russian subsidiary is (was) in charge of sales to the CIS member countries such as Belarus and Kazakhstan. Since from the point of view of Lami these countries are considered to be familiar home territory, they will not be considered in this thesis.

In this thesis I will be examining and comparing three cases that took place between 2018 and 2022. The target countries in these cases are Pakistan 2018, Australia 2019 and Myanmar 2022.

Rather than regular research thesis, this thesis will be carried out as a development project. The goal of this project is to make recommendations to the company in order to streamline and simplify the proses of dealing with these unfamiliar countries.

### 1.1 TLDR

Background: I chose to look into this topic because I kept hearing about these more unusual cases while working at the company as an intern.

Objectives and goals: Examine what the problems are in these cases. Then make recommendations on how the situation could be improved.

Research Questions and Problems: This is not a research paper, this is an examination/development project. It could be said that the point of this paper is to identify what the problems are.

## 1.2 Thesis Layout

There are six parts to this thesis first is the Introduction.

The second part is the starting point for the development project, this was the reason why I decided that this topic might be valuable to investigate.

The third is where I go through my chosen research methodology and why I have chosen these specific methods.

The fourth part is a literature review focusing on export to South and South-East Asia.

The fifth part is an introduction to the cases, some of my own remarks regarding them and notable changes that have taken place since the deal were done.

Sixth part is conclusions and recommendations for the company.

At the end there is a bibliography.

## 2. Starting Point of Development.

My initial recommendation is that there should be an employee at Lami, the main task of whom is to organize dealing with the exotic customers. This is based on my personal experience of working at the company.

Rather than being delegated to an individual employee, the interactions with are handled by the staff of the international sales department, as they have time. This means that sometimes the foreign companies are dealing with people who work with the Scandinavians, and other times they are in contact with people from the UK team. This is unfortunately not an ideal state of operation.

In my view this arrangement is understandable. If there is frequent high-volume demand from a country. Lami has a policy of setting up a subsidiary there or hiring an agent in that country. Most recently Poland, and possibly soon Ukraine, because that country has had some frequent customers recently.

-Originally, I was under the impression that there would have been some unknown issue in logistics that was hindering exotic trade. However, during the thesis writing process it became known to me that the actual main issue is payment facilitation.

### 3. Research Methodology & Framework.

#### 3.1 Qualitative Research

In this thesis I have chosen to use qualitative research methods. Specifically, I am using comparative case studies, ethnography, and narrative research.

But first I will explain what a research methodology is. Research methodology is the manner in which one collects organises and analyses information when research a topic.

Comparative case studies involve the analysis and synthesis of the similarities, differences, and patterns across two or more cases that share a common focus or goal in a way that produces knowledge that is easier to generalize about causal question. (Goodrick, 2014.).

I chose to use comparative case studies because, I realized very early in the planning of this thesis that I would not be able to write a full-length thesis on just one of these cases, there would simply not be enough material to look at.

A major goal of this thesis is to compare difficult deals from different countries to see what if any commonalities there are between them.

A useful description of ethnography is given by Jack Caulfield at Scriber. Ethnography involves immersing yourself in a group or organization to understand its culture. (Caulfield, 2020).

I use this method of research because I worked at the company. The reason I chose this thesis topic is that while working at Lami. Cases like these kept being brought. The events were rare for the company, and with rare I mean only a few in a few years. But these

cases were common enough that they were being brought up during conversations and these cases were clearly memorable for the workers who dealt with them.

The description of narrative research is also lifted from Scribber [\(n.d.\)](#), however the date and author for this one are unknown. Narrative research involves interpreting stories to understand how people make sense of their experiences and perceptions. ~~(Scribber, n.d)~~

This method I decided to use because my sources for this thesis are recorded e-mail conversations between, Lami employees and their customers.

Ethnography and narrative research are both mentioned by Pritha Bandari as two of the five common qualitative research approaches. The other three are grounded theory, action research and phenomenological research.

### **3.2 Why Not Quantitative Research?**

I am using multiple methods of qualitative research, but I think quantitative research methods would be a good fit for what I am doing. This is because quantitative methods are better suited for larger data sets and for making broad generalizations. While my goal is to understand in depth what is happening in a small number of cases.

### **3.3 Why Did I Choose These Methods?**

I have chosen this method because it is better suited for detailed study of a small sample size.

-My sources for this thesis are interviews and archived e-mail conversations. Regarding the three cases where the company ran into notable problems. My sources are not a massive set of statistical data.

–But if my data was for example 10 years of sales information, and my task was to determine average delivery times or sizes of orders or frequency of maintenance, then I would have chosen a different method.

### **3.4 Advantages & Disadvantages.**

The advantage of this method is the fact that the research takes place in the real world, which can provide meaningful insight. This method is also good for generating new ideas.

Disadvantages of the method are that the findings can be quite subjective and the research itself is labour intensive.

### **3.5 Theoretical Framework**

The basis of my thesis's theoretical framework are service design and applied systems thinking.

Sarah Gibbons provides an excellent definition of what exactly service design is: Service design improves the experiences of both the user and employee by designing, aligning, and optimizing an organization's operations to better support customer journeys. (Gibbons, 2017).

And a very solid definition of applied systems thinking is given by Tim Manning: At the heart of Design for Services is the application of Systems Thinking to the design and improvement of services and service operations. This provides the conceptual framework, or structure, within which other related Concepts are introduced. These are then carried forward into a set of practical design Methods and Techniques. (Manning, 2021).

### **3.6 Advantages & Disadvantages**

The main advantage of service design is that it aims to improve the customer experience. This is fundamentally the main goal of service design.

The main negative is that service design might require making organizational changes.

## **4. Literately Review.**

### **4.1 Introduction**

This part of the thesis is an examination of potential issues that a company could face when exporting construction material from an EU country to South and South-East Asia. I will also end the segments with a consideration on whether or not these problems effected Lami in their dealings in the region. The Australia case is not considered here, since there were practically no issues in the handling of that case.

Disclaimer: Some of the information in this chapter was sourced using AI tools. The information provided by AI was factchecked for authenticity.

### **4.2 Regulatory and Compliancy Barriers**

One of the most significant challenges in exporting construction materials from the EU to South and South-East Asia is navigating the diverse regulatory environments. According to Basu-Das and Jagtiani, regulatory compliance in South and South-East Asia involves stringent standards and frequent changes in policies, which can create significant barriers for EU exporters. For instance, building codes and material standards differ widely between countries such as India, Indonesia, and Vietnam, requiring exporters to adapt their products to meet local specifications (Basu-Das & Jagtiani, 2015).

Moreover, non-tariff barriers such as import licenses, certification requirements, and customs procedures add complexity to the export process. A study by the European Commission conducted in 2019 highlighted that EU exporters often face delays and additional costs due to the lack of harmonized standards and the need for multiple certifications for different markets. These regulatory hurdles can discourage EU firms, particularly small and medium-sized enterprises (SMEs), from entering these markets

No issues were encountered regarding compliancy with construction standards. Lami's products are constructed according to Nordic construction standards and meet UK and EU standards of quality as well. This is enough almost anywhere in the world.

There was an issue regarding an import permit for the Myanmar customer, which caused a delay. But this was due to the ongoing political instability in the country. It is worth mentioning that in the time since the situation has not significantly improved.

For both Myanmar and Pakistan there were issues regarding payment facilitation.

### **4.3 Logistical Challenges**

Logistical issues also pose significant challenges for exporting construction materials to South and South-East Asia. The geographical distance between the EU and these regions results in high transportation costs and long delivery times. A report by the International Trade Centre (ITC) (2019) pointed out that the complex supply chains involved in transporting heavy and bulky construction materials can lead to increased costs and risks of damage during transit.

Additionally, infrastructure deficiencies in some South and South-East Asian countries exacerbate logistical difficulties. For instance, inadequate port facilities, poor road networks, and limited rail connectivity can lead to delays and increased handling costs (ITC, 2019). These logistical barriers can affect the competitiveness of EU construction materials in these markets.

In the cases examined in this thesis logistics were not an issue in any of them.

The countries in the region can have poor road infrastructure, but the delivery terms in our cases were only to harbours, so it was not Lami's problem to handle overland shipping.

#### 4.4 Market Competition and Pricing

The construction material markets in South and South-East Asia are highly competitive, with local producers and other international suppliers vying for market share. According to a market analysis by Deloitte, local manufacturers often have a competitive advantage due to lower production costs, proximity to raw materials, and established distribution networks. This makes it challenging for EU exporters to compete on price.

Furthermore, the presence of low-cost producers from countries like China adds to the competitive pressure. The ability of Chinese companies to offer lower prices due to economies of scale and government subsidies puts EU exporters at a disadvantage (Deloitte, 2020). Consequently, EU companies need to differentiate their products based on quality, innovation, and sustainability to compete effectively.

Lami's products do not compete in price. The product is expensive, custom made and extremely high quality. It is known that if the customers goal was to purchase cheap doors, they could buy steels door from China for a fraction of the cost.

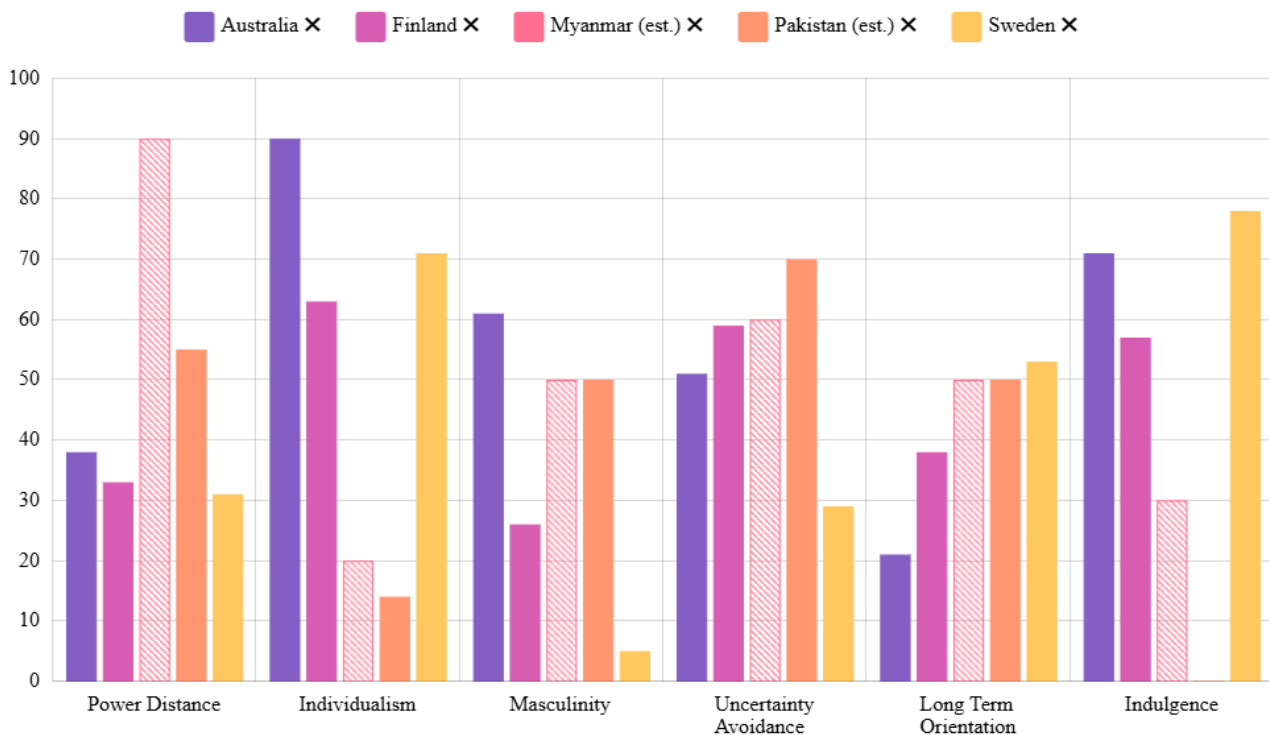
#### 4.5 Cultural and Business Practices

Cultural differences and varying business practices between the EU and South and South-East Asian countries can also create challenges. Hofstede's [et al.'s](#) 2010 book on cultural dimensions highlighted that differences in communication styles, negotiation tactics, and decision-making processes can lead to misunderstandings and hinder business relationships.

For instance, relationship-building is crucial in many South and South-East Asian cultures, and business dealings often require a high level of trust and personal interaction (Hofstede et al, 2010, Chapter 4). EU exporters may need to invest significant time and resources in developing these relationships, which can be a barrier to market entry. Additionally, differing attitudes towards contracts and legal frameworks can complicate negotiations and agreements (Hofstede et al, 2010).

Bellow is a figure showing the differences in Hofstede’s cultural dimensions between Australia, Finland, Myanmar, Pakistan and Sweden. These countries were used as examples since, Finland and Sweden are familiar home territory for Lami. And This thesis concerns the three other countries.

Figure 1. Hofstede Cultural Dimensions Comparison.



These are valid points but, negotiations just did not pose issues in any of the cases.

#### 4.6 Strategies for Overcoming Challenges

To mitigate these challenges, EU exporters can adopt several strategies. First, investing in market research to understand local regulations, standards, and consumer preferences is essential. Partnering with local firms can also help navigate regulatory landscapes and establish distribution networks. For example, joint ventures or strategic alliances can provide valuable local market insights and facilitate compliance with local standards (ITC, 2019).

Second, enhancing supply chain efficiency through better logistics planning and leveraging technology can reduce transportation costs and delivery times. Developing flexible and resilient supply chains that can adapt to infrastructure constraints in different markets is crucial.

Third, differentiating products based on quality, innovation, and sustainability can help EU exporters compete in the price-sensitive markets of South and South-East Asia. Highlighting the superior quality, environmental benefits, and durability of EU construction materials can attract discerning customers willing to pay a premium (Deloitte, 2020).

Lastly, understanding and respecting cultural differences by investing in cultural training and employing local staff can improve business relationships and facilitate smoother negotiations (Hofstede et al, 2010).

Partnering with local firms on some aspects is reasonable and we will return to that idea later in the thesis.

The second point was surprisingly not very relevant to the cases examined.

The third point is perfectly accurate. There is absolutely no way Lami can compete with for example Chinese products in price. But Lami's product is vastly superior on quality.

## **4.7 Conclusions**

Exporting construction materials from the EU to South and South-East Asia involves navigating a complex web of regulatory, logistical, competitive, and cultural challenges. By understanding these barriers and adopting strategic measures, EU exporters can enhance their market presence and competitiveness in these dynamic and growing regions.

Now we will continue to the cases.

## **5. Cases**

### **5.1 Methods of Acquiring Information**

Most of the information used in this development project was acquired from the records kept by Lami. The files are not publicly available, due to containing confidential information and as such it is not possible to make references to them.

Other sources of information that were used in this thesis are listed in the bibliography most notably among them would be the State Bank of Pakistan (SBP).

The cases that are used in this study were handled by an employee that works in the Lami UK sales team, but they deal with exotic customers when necessary.

### **5.2 Time frame of transactions**

As mentioned in the introduction the transactions took place from 2018 to 2022. In the next segment I will go over the specifics of the transactions in chronological order starting with the 2018 case.

### **5.3 Pakistan 2018**

#### **5.3.1 Basic Information**

-The customer: Engro Foods Limited, Pakistan

-The timeline for delivery: 30.11.2018 departure from Ähtäri to the warehouse in Vantaa, from there on 6.12.2018 to Doha, from there to Karachi on 8.12.2018.

-Transport method: Ähtäri-Vantaa by land and Vantaa-Karachi by air.

-Transport company Ähtäri-Vantaa / Schenker and Vantaa-Karachi / Qatar Airways (DSV as managing transport company)

-Route of Delivery: DAT Ähtäri-Vantaa DSV Warehouse and from there on handled by Friesland Campina (Holland): CPT Vantaa Airport-Doha Airport-Karachi Airport Pakistan.

-Handling of customs: In this case, customs were handled by the transport company. Muovilami's share was only Ähtäri-Vantaa and the Dutch parent company handled the goods from Vantaa as air freight to Karachi airport.

### 5.3.2 Timeline

- In August 2018, an inquiry about reinforced plastic doors for a project in Sahiwal, Pakistan.
- Order from the customer on 30<sup>th</sup> of October 2018.
- Discussions about the method of delivery and payment.
- According to the laws of Pakistan, advance payment to a foreign company is not possible.
- There was an option of using a 3rd party in Pakistan or handling the order through the Dutch parent company Friesland Campina.
- The customer in Pakistan and their Dutch parent company agreed internally on the order and related documents.
- Muovilami's customer was Friesland Campina Supply Point Leeuwarden, in whose name the order goes.
- Advance payment was made from the Netherlands.
- Friesland Campina handled air freight from Finland to Pakistan.

The Shipping was handled in the following way. Quoted from an email conversation with a Muovilami Ltd employee J. Virkamäki.

- Muovilami delivers the goods with the expression DAT and the text is also attached to it: DAT Helsinki-Vantaa Airport (Incoterms 2010), delivered at carrier's terminal; export declaration, customs or taxes nor depot cost are included. Shipping note by haulage company is requested for verifying export transaction from Finland. In case of missing shipping note the seller reserves the right to invoice VAT 24% according to Finnish tax legislation.

This transaction took 46 pages of emails and there were 9 people involved in the conversation. These people represented five different companies. The conversation mostly centered around the facilitation of payment from the Pakistani company.

### **5.3.3 Thoughts on the Case.**

The main issue in this case was the facilitation of payment.

In the e-mail conversation the Pakistani customer states that it would be possible for them to do an LC at sight. This means that they could pay via a letter of credit, after the delivery is confirmed, but not in advance. He also states that it would be impossible for them to do any advance payment.

This does not seem to be true. Seemingly since advance remittance of up to 33% has been allowed since 2002. It would still not be possible to pay fully in advance, but at least the 33% upfront would have been a possible point to start to negotiate from.

The following is a quote from the State Bank of Pakistan FE manual chapter 13 paragraph 30 Advance Remittance:

- (i) State Bank may consider applications for advance remittance against imports where the goods are of a specialized or capital nature. Applications for such advance remittance should be made to the State Bank on Form 'I' and should be accompanied by the original contract (with a spare copy) entered into between the importer and the

foreign manufacturer or supplier. The applications should also be supported by an undertaking in the prescribed form (Appendix V-29) duly countersigned by the Authorised Dealer. In special cases advance remittance may be allowed upto 33 1/3% of the estimated C & F value of the total quantity of the goods to be imported. (SBP, 2002)

It used to be that in some cases an authorised dealer (AD) should have been able to make an advance payment of up to 33% of the total value of the goods if the goods being imported were of a specialised or capital quality.

Lami's products without question fall under the category of "a good of a specialized nature". This means that it should have been possible to acquire an advance payment of 33%. However, it is true that making an advance payment of 100% would have been impossible.

### **5.3.3 Relevant Law Change.**

On the 1st of February Business Recorder published the following: The State Bank of Pakistan (SBP) has allowed Authorised Dealers (ADs) to make import advance payments, without prior approval of SBP, against 100 percent irrevocable letters of credit or invoices. (Bhatti, 2024).

This means that currently it is no longer a legal impossibility for a Pakistani company to make a full repayment overseas. In cases where LCs are issued by ADs.

## 5.4 Australia 2019

### 5.4.1 Basic Information

- Customer: Concept Products, Canning Vale, Australia Destination: Hospital.
- Timeline of Delivery: 11/09/2019 departure from Ähtäri, flight from Helsinki-Vantaa 12/09/2019, arrival 14/09/2019.
- Customs clearance: Export customs clearance is handled by transport company, the service purchased from DHL is All-In, i.e. everything is included in the purchased service
- Payment arrangements: Advance payments came as bank transfers, there was no need to have special discussions regarding them.
- Route: CIP Helsinki-Perth air freight and road transport from the airport to the customer to Canning Vale.
- Transportation company DHL regarding air cargo, no information which transport company handled the cargo from the airport to the customer.
- Transport method Ähtäri-Perth by air and Perth-Canning Vale by land.

### 5.4.2 Timeline

- In September 2018, an inquiry about reinforced plastic doors for a project in Canning Vale, Australia.
- Order from the customer on July 4th, 2019.
- An advance payment of 50% is agreed upon when ordering and 50% before delivery from the factory, payments will arrive on time by bank transfer.

-Delivery as air freight by DHL Helsinki-Perth, from where further transport to Canning Vale.

-Muovilami will deliver the goods on the 11<sup>th</sup> of September 2019 with the clause CIP Canning Vale (Incoterms 2010), the batch will arrive at Perth Airport on the 14<sup>th</sup> of September 2019 and from there on to the customer.

This transaction took 8 pages of emails and there were 4 many people involved in the conversation. Representing 3 companies. The conversation was quick and to the point. The Australian customer had done business with Lami before.

### **5.4.3 Observations on the Case**

This deal was very uncomplicated in comparison to the other two.

The main issue was that the customer was on a thigh schedule. Because of this the goods were transported as air freight. Which is not the usual way of delivering. But the customer was happy with this arrangement.

With this customer there was no issues regarding payment. And there was not even any need to have conversations regarding payment, because they agreed to Lami's default payment arrangement.

I originally thought that my contact at Lami had forgotten to attach the conversation regarding payment, but when asked about it this was their response.

*“There is no e-mail discussion about payment arrangements because there was no need for it. The method of payment was announced in the order confirmation as an advance payment in two instalments, and the customer paid them on time”. (J.Virkamäki).*

*“All in all, these deliveries were quite easy and streamlined and there were no hiccups along the way.”* (J.Virkamäki)

I must agree with J.Virkamäki here, this transaction was indeed extremely streamlined.

The customer had done business with Lami before and where so satisfied with the service and product they had received on the first time that they came back later with a more sizable order.

## **5.5 Myanmar 2022**

### **5.5.1 Basic Information**

-The customer: R&D and Diagnostic Laboratory, Yangon, Myanmar.

-The timeline: 22.3.2022 departure, arrival 31.5.2022.

-Payment arrangements: Advance payment 100% before delivery.

-Transportation method: DHL sea freight.

-Transport company: DHL Global Forwarding.

-Route: Helsinki-Bremen-Hamburg-Singapore-Yangon.

-The form of transport was originally sea freight, the customer was informed of the price of sea freight, which was accepted.

-Customs Clearance Delivery terms CFR Port of Yangon, Myanmar. In the attached link you can see the responsibilities of the seller and the buyer. In the delivery condition. DHL was unable to offer transport insurance to Myanmar, so Muovilami took out transport insurance for this shipment separately. The mandate must be valid throughout the transport.

The sea freight price offered to Muovilami by DHL is an All-In price, in which case the export formalities were handled by DHL on behalf of the seller.

<https://www.logistiikanmaailma.fi/väsömuset/toimituslausekkeet/incoterms-2020/cfr/> In connection with import customs clearance (the customer's responsibility), an import license is required, which was already acquired at the time of booking. (J.Virkamäki) .

### 5.5.2 Timeline

- In December 2020, an inquiry about reinforced plastic doors for a diagnostic laboratory in Myanmar.
- Due to internal problems in the country, the process is interrupted.
- Offer in October 2021 and order in November 2021.
- Advance payment will arrive on 22 November 2021.
- According to the laws of Myanmar, advance payment from the country is not possible, the payment is transmitted through a Hong Kong company. The billing address is changed to this company in Hong Kong, to which our customer in Myanmar credits the advance payment. Also in the shipping documents, the customer/shipper is a Hong Kong company.
- Delivery ready for departure at the end of January, when booking, DHL informs that an import license is needed and all information in the sea waybill must match that license.
- The customer delivers the import license in mid-March.
- The Myanmar authorities want a document on the transport insurance and the original certificate of the goods. These have been delivered to the customer.

This transaction took 53 pages of emails and there were five people involved in the conversation. These people represented three companies. Most of the conversation centred around transportation, the necessary permits and the timing of the delivery.

### **5.5.3 Thought on the Case**

The main issue in this case was payment facilitation same as in the Pakistan case. Payment was carried out via a Hong Kong based consultancy company chosen by the customer.

In this case there was also the secondary issue of getting an import permit.

In the e-mail conversation the Myanmar customer expressed that they were experiencing difficulties in acquiring the necessary import permit. The reason for it was stated to be the then ongoing Covid outbreak.

Under normal circumstances getting such a license would be quite a strait forward process which could be completed online in a short amount of time.

He was also worried about the import license expiring before the delivery would arrive.

Below are listed two tables. These tables include the prices of the various import licenses. And the costs of fines that one would have to pay if their license is expired.

Table 1. Value of imported goods / Import License fees.

| Sr. No | CIF value of Imported goods            | Import License Fees |
|--------|--|---------------------|
| 1      | Up to 5000000 kyats                    | 30000 kyats         |
| 2      | From 5000001 kyats to 10000000 Kyats   | 50000 Kyats         |
| 3      | From 10000001 kyats to 50000000 Kyats  | 60000 kyats         |
| 4      | From 50000001 kyats to 150000000 kyats | 80000 Kyats         |
| 5      | 150000000 kyats and above              | 90000 Kyats         |

For Context the prices of the license vary from 13,18€ to 39,54€. The licenses are not unreasonably expensive in my view. When the chart says paragraph 4 it is actually referring to the chart on this page. This is because these charts are from the Myanmar trade portal website. The products Lami where shipping had a value of around 25,000€ or 60,000,000 kyat. So, the second highest price license was necessary.

Table 2. Fees/Penalties for renewing the license.

|   | Type                 | Before expiry date and Seven days from the expiration date           | Application submitted within One month from the expiration date      | Application submitted More than one month from the expiration date   |
|---|----------------------|--|--|--|
| 1 | Extension fees       | Same as the original import license fees in the table of paragraph 4 | Same as the original import license fees in the table of paragraph 4 | Same as the original import license fees in the table of paragraph 4 |
| 2 | Extra fees/penalties | -  | 5000 Kyats   | 10000 Kyats  |

Applying for an extension in the license would not be unreasonably expensive. Especially if it was done before hand.

I think it would have been good practise to offer to compensate the customer for the late fee, if necessary, especially since the fees are not that expensive.

#### **5.5.4 Current Situation in Myanmar**

It is mentioned that the sales process to Myanmar was interrupted due to the current political situation in the country. The situation in the country has not improved since then.

ADB has temporarily put on hold sovereign project disbursements and new contracts in Myanmar effective 1 February 2021. ADB is closely monitoring the situation in Myanmar and remains committed to supporting its people. (ADB, 2024)

## **6. Validity & Ethics**

### **6.1 Validity**

As mentioned before, the results might be quite subjective, since the sample size is small. Repeating the study might yield different results, but I don't think that the differences would be significant.

### **7.1 Ethics**

I don't think that any significant ethical concerns arise from the writing of this thesis. The e-mails and archived conversations I used as sources contain personal details such as names, addresses and contact details. As well as copyrighted information like product specifications and schematics. But since I am not releasing those files it should not be an issue.

A part of the thesis was writing with the aid of AI. Some people might find this to be objectionable. However, the usage of AI is not prohibited as long as it is mentioned in the text. And copyright is not broken or personal information leaked.

## 7. Conclusions & Recommendations

### 7.1 Recap

Based on the conversations read. The customer service runs well. There are occasional issues in payment facilitation. Logistics run well. There are occasional problems in licensing. And there is the hidden issue of labour division due to the task being done by people from other divisions.

### 7.1 New Role at the Company

First proposal: the process of exotic export would be greatly simplified if it was someone's fulltime job. Currently the task is handled as by people from the UK or Nordic sales teams.

As mentioned in the introduction this is done because there is not enough demand for it to be someone job to just be dealing with the exotic customers, there would simply not be enough for them to do.

I propose that the company should create an additional role for an employee whose main job is to deal with exotic customers. And in the extra time they have will work on keeping the company's archives up to date. Having someone to organises the archives would save a significant amount of time for the workers from the UK, Nordic and domestic sales departments. These other employees would then be better be able to focus on their own work.

This new employee could also be used as an extra pair of hands if there is a significant rush of orders from the other regions.

## 7.2 Default AD

Second proposal: Lami should have a default middleman company. As was shown in the Pakistan case the export process was delayed by the necessity of finding a middleman that can receive advance payments from countries such as Pakistan, that do not permit advance payments to overseas companies. The problem was able to be dealt with, since the customer Energo Foods limited is a subsidiary of a Dutch company called Friesland Campina. Friesland then paid via an un-specified bank based in the UEA.

The same issue arose in the Myanmar case where the company was not allowed to make payments to a foreign company. In that instance the payment was handled via a Hong Kong based consultation company called Starsun HK. This consultant was chosen by the customer.

Lami encounters these issues in the South & Southeast Asia region, so it would be ideal to have a middleman based in the region in question. Possibly in Singapore or Hong Kong, since their companies and legal systems are widely trusted. Banks like the HSBC and OCBS are well known and routinely handle international transactions. An even better but less famous option would in my view be the Asia Development bank based in the Philippines.

The SBP (State Bank of Pakistan) in BSD Circular No. 38 specifically names ADB (Asia Development Bank) and The Standard Charter Banks as institutions that are trusted to guarantee letters of credit for Pakistani companies up to 1,000,000\$. On a case-to-case basis the guarantee could be higher.

ADB lists several areas of focus on their web page, the common theme of which is infrastructure and development. But especially relevant to Lami are the categories of agriculture, education and health.

Lami's most common customers operate in those fields. In fact, out of the cases examined in this thesis 2 worked in Health and the third worked in the field of agriculture. As

such all of the companies seen in this thesis operate in fields that the ADB has an interest in.

Lami does already have other commercial allies such as DHL, the services of which are used when delivering goods. It would in my view simply be a reasonable expansion of this model to have a default payment facilitator to Asia customers.

### **7.3 Recommendations for Further Study**

Firstly, a similar study could be carried out with a larger sample size. Since cases like these don't often happen, they could be collected when they happen.

Secondly all the cases examined here were carried out successfully. It would be worthwhile to investigate the cases where a deal was not made. I know of a potential Singaporean customer. Where the deal was not made, because Lami's doors are not rated for earthquakes, since neither the Nordic countries nor the UK experience them. There was a case in Uganda that was supposed to be a case in this thesis, but the deal did not go through, so it is not. I do not know the reason why.

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