

RESEARCH PROPOSAL

Maritime & Logistics



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| IBMS 307 & 309 | Strategic & Innovation Management (IBMSIM116R3) | Mrs. T.J. Jongebreur | Draft
Proposal 1 OCEAN: Marketing Strategy Maritime & Logistics | Team 6: Confiance | Date of Submission:
13th of June 2018 | Words: 5366



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Executive Summary

This report entails the findings of the research conducted for 1 OCEAN to develop a marketing strategy to enter a novel market within the maritime and logistics sector. The start-up company focuses on workplace innovation to improve labor productivity and competencies in order to create successful and competitive businesses. 1 OCEAN would like to expand its activities internationally. However, with 1 OCEAN's unique and innovative concept, it is possible that the market misunderstands the added-value of the company. 1 OCEAN is determined to be a market reader, however, when the company would radically make changes with its service they could also be determined as a need seeker.

The objective of the research: "to develop the most suitable market strategy for 1 OCEAN to target possible clients of the region Le Havre in France within the timeframe of two years" is divided among five sub objectives and questions. Through a mixed approach consisting of mainly desk research, the data is collected. The research credibility is ensured through carefully executing tasks and judiciously selecting the theoretical frameworks and information sources.

To analyze and formulate the current marketing strategy of 1 OCEAN the Treacy and Wiersema's Value discipline model has been used where after it became clear that the value proposition customer intimacy fits the company best. The Adopter Categorizations on the Basis of Innovativeness framework identified that the target group falls in the late majority category. Moreover, with support of the PESTLE analysis and the Hofstede Country Analysis tool the largest cultural gaps between The Netherlands and France became clear. In France a higher level of hierarchy is visible, and certainty is more appreciated. Next, the Hierarchical Model of Market Entry Modes has been used to determine what the best approaches are for the company to enter the new market. It can be concluded that a contractual agreement (non-equity mode) is the most suitable entry mode for 1 OCEAN. Lastly, through the Porters Five Forces framework information is gathered about the competitiveness of the industry in the region of Le Havre which is high.

After the research, it could be concluded that it is not the right moment to develop a marketing strategy for 1 OCEAN for Le Havre. Reasons are that the level of competition in Le Havre is too high whereas the level of innovative adoption in the France maritime and logistics sector is too low. Furthermore, this research has also pointed out that 1 OCEAN can still improve its strategy and organization internally to reinforce its position on the domestic market before going international.

Based on the gap analysis recommendations are given to enhance the current strategy of 1 OCEAN to prepare the start-up company for international expansion. First, it is suggested to focus more on the customer instead of the partner. To embrace the value proposition, customer intimacy, it is advisable to adopt a CRM system for 1 OCEAN's customer base to improve its customer relationships. Moreover, it is recommended to be more transparent about the 1 OCEAN's activities and thereby reveal a novel mission, vision, and strategy. To rise 1 OCEAN's transparency a promotional video may well be developed and used in a variety of ways, such as on a fair or even exposed on its website. Furthermore, the idea is given to organize an external non-business-related event in Rotterdam to make 1 OCEAN more visible for potential partners and customers and create brand awareness. Next, it is suggested that 1 OCEAN is conscious of the late majority innovators of the maritime and logistics sector which do not easily adopt new technologies. Nonetheless, it is of utmost importance for 1 OCEAN, whilst operating in this sector, to have "in house" experts available with regards to the blockchain technology. Finally, eventual novel partnerships can be established through a LinkedIn Premium Business Account.

In the end of the report an implementation matrix is provided in which the processes and activities are explained to undertake the attainable steps.

Introduction

This report presents the findings of the marketing strategy research for the Rotterdam-based company 1 OCEAN. Rotterdam is an excellent business location as it hosts the largest port in Europe and is ranked as the second top European logistics location, according to the Port of Rotterdam (2016) and the 11th biggest container port in volume (KaranC, 2016)(World Shipping Council, 2018). First, company background information is provided which includes an evaluation of the applied innovation strategy. The second section describes the problem of 1 OCEAN and gives an overview of research questions and objectives. Moreover, the research findings are covered, after which a conclusion per research question is treated. The overall conclusion answers the main research question. Based upon the executed research, five recommendations are formulated, and an implementation plan is made.

1. Company background

1 OCEAN is a start-up company which focuses on workplace innovation at an international level (specifics on workplace innovation can be found in Appendix B (1 OCEAN, n.d.). 1 OCEAN believes in this statement: *"You can start any project which motivates you, with people you like* (G.J. Huisink, personal communication, 5 February 2018)." According to 1 OCEAN, employees are more important than technology resources. Workers represent 75% of an innovation success whereas technology accounts for 25%. 1 OCEAN sees the employees as an asset and not a cost. The workforce is the key to success of a company (G.J. Huisink, personal communication, 5 February 2018). 1 OCEAN's aim is to solve other companies' problems by consulting, training and coaching. In order to achieve that, the company's members work on four key aspects: people, organization, communication and technique (E. Matzinger, personal communication, 21 February 2018) (Topsector Logistiek & 1 OCEAN).

A team of twelve professionals focus on potential growth by looking at new opportunities to learn, grow and reduce costs by using economy of scale (1 OCEAN, n.d.). 1 OCEAN's partners are experts in their fields of activity in order to offer the best quality solution. Next to this, networking is of high importance for the company, since it allows them to create partnerships to have a better expertise, interesting opportunities to help organizations and to find solutions (E. Matzinger, personal communication, 21 February 2018).

The innovation strategy 1 OCEAN applies in practice is the market readers approach. However, 1 OCEAN could also be perceived as a need seeker, since they fulfil customers' needs. Yet, as need seekers take care of radical changes and products whereas 1 OCEAN service seems to be incremental, being a market reader will be a better justification. Organizations with this approach have a large focus on creating value through so-called incremental innovations beneficial to already existing products and services (Jaruzelski, Staack, & Goehle, 2014). Through consulting, training and coaching workplace innovation will be achieved, 1 OCEAN strives to help its clients enhancing the current situation. Market readers also have the tendency to adapt their products and services to local markets. 1 OCEAN fits its services to the client's needs and wants and the project. Moreover, companies with the market readers strategy put capabilities for handling resource requirements and engagement with partners and suppliers first. As 1 OCEAN's network is based upon collaboration with partners this characteristic is applicable to the company as well.

2. Problem Definition

In this section the management issue of 1 OCEAN will be clarified with the aid of the following three fundamentals. First, the apt 6W formula is selected to describe the problem by countering interrogative questions. The formula, adapted from the work of Migchelbrink, is used in the next paragraph as a method to unfold the problem by answering the questions: what, why, who, when, where, and how (Verhoeven, 2015, p. 82). Furthermore, the main objective of the research and related question will be provided linked to five sub objectives, and questions. Finally, the fishbone diagram will offer an overview of the themes and aspects leading towards the research's objective and could be consulted in Appendix A of this report.

2.1 Problem description

1 OCEAN needs the development of a novel marketing strategy to globally expand its client database. The focus will rely on the naval industry being part of 1 OCEAN's expertise. With the aid of this marketing strategy, the organization will be able to target prospects in the maritime and logistics sector located in the port of Le Havre in France. The location is chosen because, Le Havre and its region (Normandie) are one of the first French logistics hub (a logistic platform which regroups warehouses). It currently hosts 1.4 million square metres of exploited warehouses and 350,000 square metres is under development. Le Havre's region is now a major international logistics basin (Le Havre Développement, n.d.). The marketing strategy must contain appropriate value propositions whereby 1 OCEAN could differentiate from competition. Moreover, the entry modes should be carefully considered to select the best approach on how to enter the new market.

Due to 1 OCEAN's unique set-up and innovative concept, it is possible that the market can misunderstand the added-value of its business operations. In that case, it is a concern whether the logistics and maritime sector can be served by the company (E. Matzinger, personal communication, 21 February 2018). Moreover, with regards to innovative technologies (significant for the maritime and logistics industry), such as blockchain, there are currently no specialists available within the network of 1 OCEAN (G.J. Huisink, personal communication, 28 March 2018). Lack of expertise could lead to an insufficient offer towards the client or even the refusal of a project if it could not be fulfilled.

2.2 Research questions and objectives

<p>Main research question and objective</p> <p><i>What is a suitable marketing strategy for 1 OCEAN to enter the region of Le Havre to expand its client database in the maritime and logistics sector within the next two years?</i> The objective of the research is to develop the most suitable marketing strategy for 1 OCEAN to target possible clients in the region Le Havre in France within the timeframe of two years.</p>
<p>First sub-question and objective</p> <p><i>What is the current marketing strategy of 1 OCEAN?</i> To analyse and formulate the current marketing strategy of 1 OCEAN whereby the company differentiates itself from its competitors.</p>
<p>Second sub-question and objective</p> <p><i>To what extent is the maritime and logistics sector able to implement workplace innovation?</i> To identify to what extent the target group, related to the naval industry, is open to implement workplace innovation.</p>
<p>Third sub-question and objective</p> <p><i>To what extent is France appropriate as a new location to 1 OCEAN in terms of external influences in the field of business?</i> To examine whether France as a location is compatible with the Dutch culture in ways of doing business.</p>
<p>Fourth sub-question and objective</p> <p><i>What are the most relevant entry modes for 1 OCEAN to enter the new market?</i> To find out what the best approaches are for 1 OCEAN to enter the new market with the developed marketing strategy in the selected region.</p>
<p>Fifth sub-question and objective</p> <p><i>To what extent can the competition in Le Havre be an obstacle to 1 OCEAN's entry in the region?</i> To analyse the competitive forces in Le Havre that can influence the entry strategy of the company.</p>

Figure 1: Overview of research objectives and questions for 1 OCEAN

3. Research findings

3.1 First sub-question and objective

<p>First sub-question and objective</p> <p><i>What is the current marketing strategy of 1 OCEAN?</i> To analyse and formulate the current marketing strategy of 1 OCEAN whereby the company differentiates itself from its competitors.</p>

Figure 2: First sub-question and objective

3.1.1 The Treacy and Wiersema's Value discipline model

To analyse the current strategy of 1 OCEAN, the Treacy and Wiersema's Value discipline model is used (Treacy & Wiersema, 1993). More information with regards to the framework and categories can be found in Appendix C.

3.1.2 Research findings

Strategy

A strategy entails several components as the organisation's mission, vision, and core values. Together these are fundamental to the long-term strategy of a company (Mullins & Christy, 2016). The core values of 1 OCEAN (for partners) are: energy (cool client and nice colleagues), freedom (any location and own working hours), reward (earn what you create) and autonomy (learn and develop). The vision of 1 OCEAN is to build 500 partnerships around the globe, therefore, 1 OCEAN's mission is to expand in several markets (E. Matzinger, personal communication, 21 February 2018). An obvious matter is that the strategy of 1 OCEAN cannot be consulted on the organisation's website (1 OCEAN, n.d.). However, when the website is consulted later on the content has been changed and some statements are added. Yet, the English version of the website appears in another lay-out and environment than the Dutch version meaning that some differences do occur regarding the way the statements are described. For instance, in the English version is stated: "Innovation is not only about technology, it is how you work, do business, collaborate and learn" and "let's innovate" whereas in the Dutch environment is mentioned "If one specialist is not enough" (1 OCEAN, n.d.) (1 OCEAN, n.d.).

Combining forces

Furthermore, it is crucial to 1 OCEAN to deliver expertise in the field, hereby they are welcoming new professionals which can contribute to achieving the organisation's objective and to expand their network. While combining forces, the following pillars are fundamental to their unique position in the market: personal growth, quality, projects, economies of scale (1 OCEAN, n.d.). When 1 OCEAN is lacking expertise for a certain project it expands its network through its current network or dismisses the project because it is "out of their scope" (E. Matzinger, personal communication, 21 February 2018).

People focussed

1 OCEAN is a start-up company globally concentrating on workplace innovation whereby people are an asset contributing for 75% to an organisation's culture. Whereas 25% is focussing on innovative technologies (1 OCEAN, n.d.). 1 OCEAN offers the service to involve in a project with partners and the client to utilize its workplace innovation focussing on four key aspects: people, organization, communication, and technique. 1 OCEAN focusses on leadership to improve and support the workplace (Topsector Logistiek & 1 OCEAN)(E. Matzinger, personal communication, 21 February 2018). That 1 OCEAN is clearly focused on people could be derived from their website "*Your competitive advantage are your people. Nothing else. We support you to maximize the human capital within your organization*" (1 OCEAN, n.d.).

Logistics and Maritime

Particularly for the logistics and maritime sector, 1 OCEAN says to have a team of specialist equipped with lots of experience to serve this industry. Hereby, the organisation focusses on the supply chain of transportation in this fast-changing world and supports its clients with tailored, flexible, and sustainable solutions. The objective is to lower costs while growing the efficiency of the supply chain (1 OCEAN, n.d.). Another obvious matter is that 1 OCEAN provides the model below on its, website

which is especially designed for the logistics and maritime sector but does not expose further explanation. The website states: “TransportMetrics can consist up to 5 steps, but ... we think it’s important to first get to know and understand each other before we start working on a solution or optimization” (1 OCEAN, n.d.).

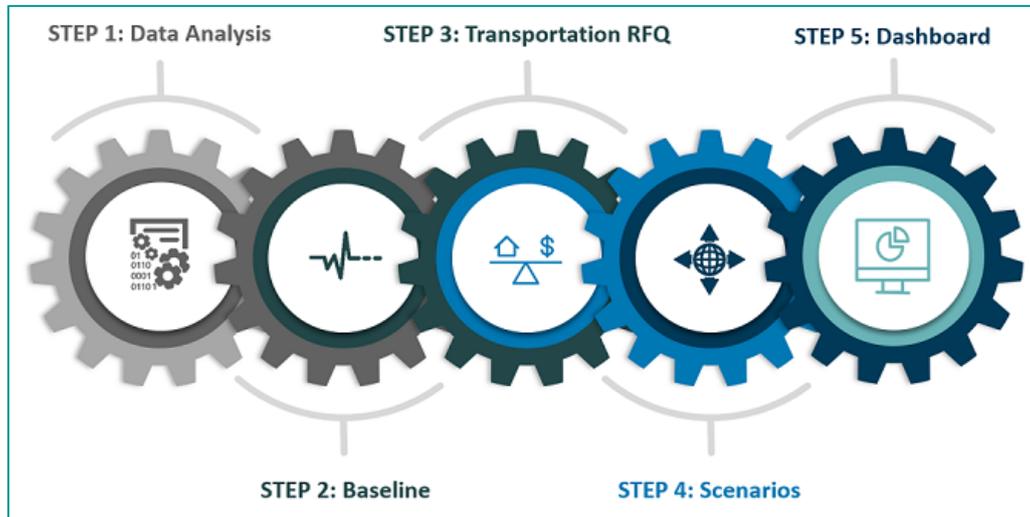


Figure 3: TransportMetrics model

3.2 Second sub-question and objective

Second sub-question and objective

To what extent is the maritime and logistics sector able to implement workplace innovation?
To identify to what extent the target group, related to the naval industry, is open to implement workplace innovation.

Figure 4: Second sub-question and objective

3.2.1 Adopter Categorization on the Basis of Innovativeness

To analyse to what extent the maritime and logistics sector is open to implement workplace innovation, it is important to understand in which adopter category the industry fits (Rogers, 2003). More information with regards to the used framework and its categories can be found in Appendix D.

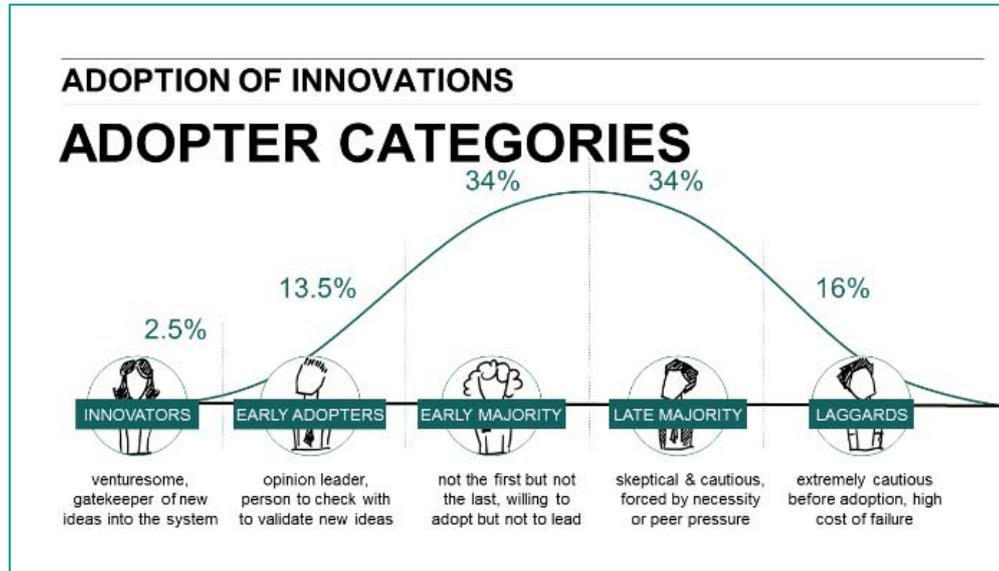


Figure 5: A visualization of the five adopter categories and its timing of innovativeness based upon the Diffusion of Innovations theory of Rogers (Rogers, 2003).

3.2.2 Research findings

In the past, the maritime and logistics sector was traditionally an entrepreneurial industry. Due to the economies of scale, high capital requirements and necessary (not always digital) architecture, entry barriers were high for small innovative startups or SMEs up until recently (Rainmaking, 2017).

According to PwC, nowadays, more new entrants are becoming large players through new business models based upon data analytics and other technologies. These entrants, mainly startups, drive technology development and innovation (PwC, 2016). One of those new innovative technologies called blockchain can enhance the overall logistics and maritime industry operations. The technology provides the opportunity to digitally transfer and file data with great security on a peer-to-peer basis. Due to this peer-to-peer set-up, intermediaries which currently perform paperwork related activities can be eliminated since the documents will instantaneously be sent to the other parties (Harvard Business Review, 2017). Blockchain for instance can benefit the logistics sector through eliminating administrative hardcopies like shipment papers and invoices whilst providing greater security (Saunders, 2016). Some future benefits include that blockchain could provide more transparency for consumers when companies like IKEA, for instance, open up their supply chain, so customers can see where the products and its components originate from. Another example to illustrate the potential blockchain benefits is that when the GPS coordinates of a shipment and the point of delivery match, payment will be released and instantaneously received in the sender's bank account (Harvard Business Review, 2017). Overall, blockchain in the logistics and maritime sector could save a lot of paperwork, enhance transparency and save cost in a secured and fast manner.

Now is the time for companies to experiment with and get to know more about blockchain. It is forecasted that company's processes will need to change around the innovative technology (Harvard Business Review, 2017). If the sector ignores the new technological and innovative trends like blockchain, the startups will grow in market share and risk averse companies (who need to be certain an innovation works before they implement it) will start lagging (PwC, 2016) (Rainmaking, 2017).

3.3 Third sub-question and objective

Third sub-question and objective

To what extent is France appropriate as a new location to 1 OCEAN in terms of external influences in the field of business?

To examine whether France as a location is compatible with the Dutch culture in ways of doing business.

Figure 6: Third sub-question and objective

3.3.1 PESTLE analysis & Hofstede's cultural dimensions

To analyse whether France is appropriate as a new location to 1 OCEAN regarding external influences, the PESTLE framework will be used (Aguilar, 1967) as well as Hofstede's cultural dimensions (Hofstede, 1991). More information with regards to the frameworks can be found in Appendix E and F.

3.3.2 Research findings

Considering the uniqueness of the service 1 OCEAN offers and because 1 OCEAN will not directly invest in the French market, only the Political, Economic and Technological factors will be emphasised.

Political analysis

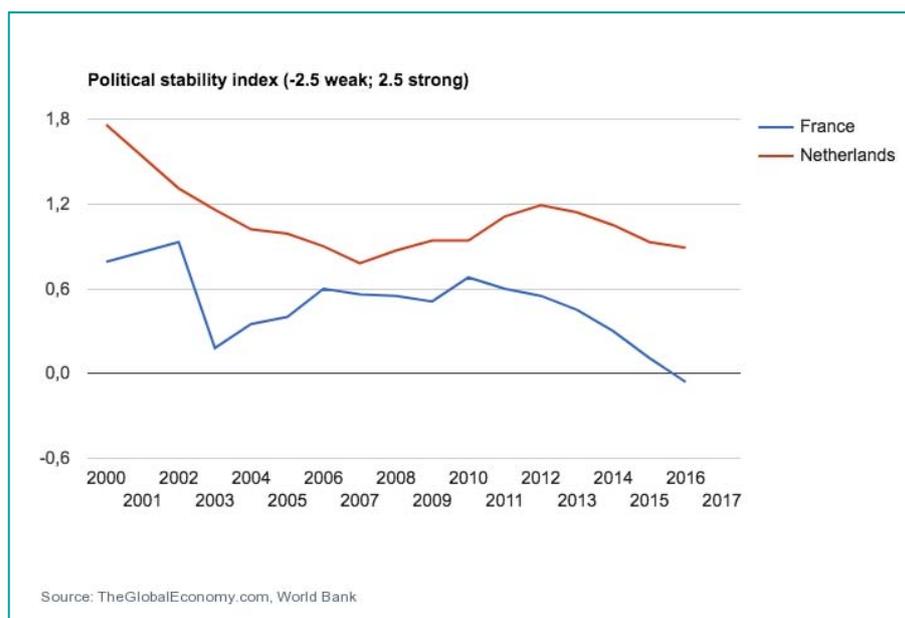


Figure 7: Comparison of Political Stability Index in France and the Netherlands

France is a democracy. Since 1958, the country is under the Vth Republic, which is a hybrid political regime, mixing characteristics from the presidential regime and the parliamentary regime (Vie Publique, 2018). The French political system tends to be highly centralized, though initiatives are taken to give more power to local and regional administrations.

According to TheGlobalEconomy.com, "the index of Political Stability [...] measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism" (2018). As to be seen in the figure above, France's political stability has dropped to -0.06 in 2016, due to the several terrorist attacks that hit the

country. However, France remains a relatively stable country, -2.5 being considered as a low Political Stability score.

France and The Netherlands have a good political relationship. These last years, several state visits from both French and Dutch politics helped reinforce the Franco-Dutch ties. The latest notable visit was the meeting of French Minister for Europe and Foreign Affairs, Jean-Yves Le Drian with his Dutch counterpart, Mr. Halbe Zijlstra on November 6, 2018, in Paris (France Diplomatie, 2018).

Economic analysis

As many other European countries, France was hit by the financial crisis in 2008. Though economic growth has increased, France's recovery is slow (Department for International Trade, n.d.). Forecast for 2018/2019 are optimistic: annual economic growth will remain robust with around +1.75%, thanks to a stronger external demand, a rebound in tourism, robust business confidence and job creation (OECD, 2017).

Technological analysis

In 2015, 83% of the French population had an internet access. However, there are generational, social and cultural inequalities for having access to internet (Vie Publique, 2016). The equipment rate in tablets and smartphones grows fast: from 2012 to 2015, it went from 8% to 35% for the tablets, and from 28% to 58% for the smartphones. E-commerce also knows a real booming: the number of commercial website has increased by 16% between 2014 and 2015 (Vie Publique, 2016).

In 2015, the International Federation of Robotics counted 127 robots for 10,000 employees in the manufacturing sector. Though this number ranks France as 14th most robotized country in the world, it is way below European countries, such as UK, Switzerland or the Netherlands (Passet, 2017).

Comparison France and The Netherlands (by Hofstede insights)

Through this framework, cultural differences between French and Dutch in terms of doing business will be highlighted. The biggest gaps will be discussed below.

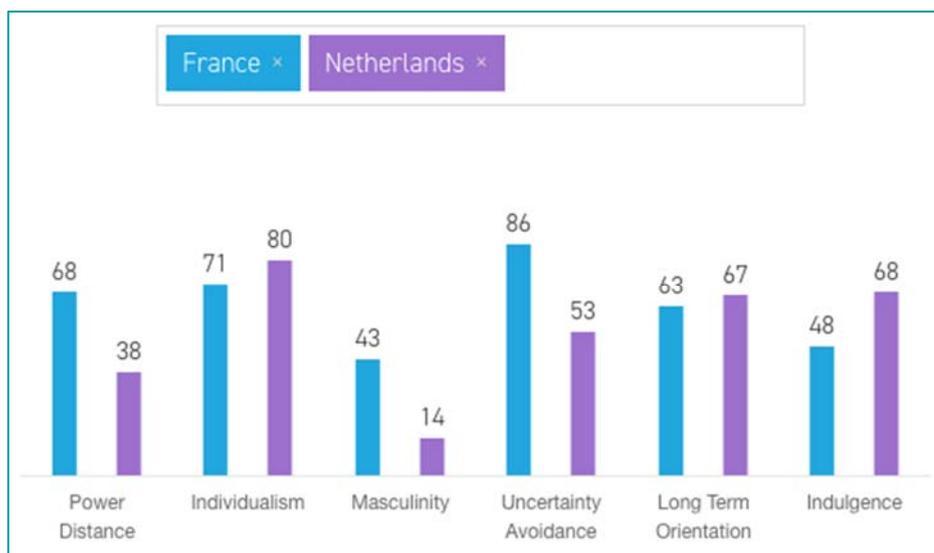


Figure 8: Comparison of Cultural dimensions in France and the Netherlands

- Power Distance: France scores + 30
- Masculinity: France scores + 29
- Uncertainty Avoidance: + 33

Compared to the Netherlands, France scores high on Power Distance. It also scores higher than the Netherlands on Masculinity, but below average. Uncertainty Avoidance is the highest score for France of all dimensions and is also far above the Netherlands (Hofstede Insights, 2018).

3.4 Fourth sub-question and objective

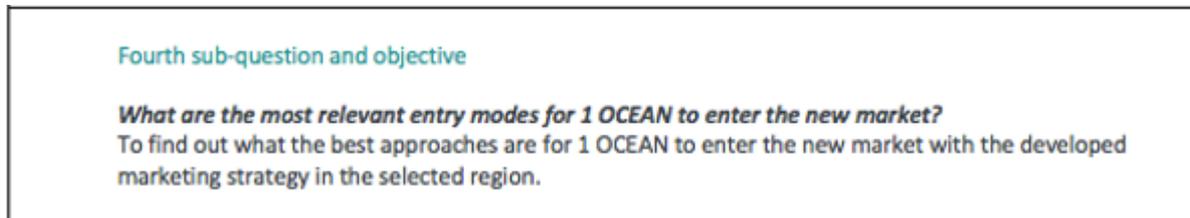


Figure 9: Fourth sub-question and objective

3.4.1 Hierarchical Model of Market Entry Modes

To analyze the mode of entry of 1 OCEAN in the maritime market of Le Havre in France, the Hierarchical Mode of Market Entry Modes will be used (Decker & Zhao, 2004). More information with regards to the framework can be found in Appendix G.

3.4.2 Research findings

In order to enter Le Havre's logistics and maritime market 1 OCEAN should choose a non-equity mode, which does not necessitate the use of ownership. It involves small commitments and it does not require independent partially or wholly owned organization overseas. The second step consists of deciding which of the exports or the contractual agreements is the best alternative for 1 OCEAN to enter the selected region (Peng, 2014).

3.5 Fifth sub-question and objective

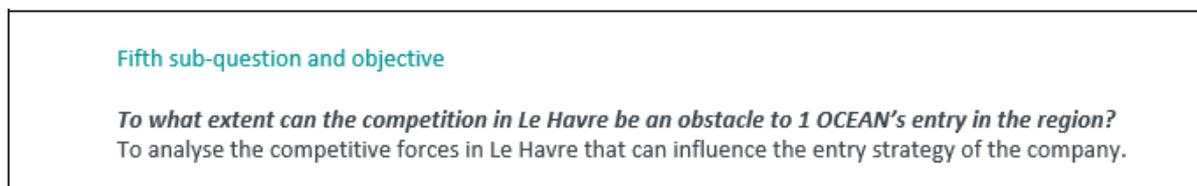


Figure 10: Fifth sub-question and objective

3.5.1 Porter's Five Forces

To analyse the competitive forces in Le Havre that could influence the entry strategy of 1 OCEAN, Porter's Five Forces will be used (Porter, 1979). More information with regards to the frameworks can be found in Appendix H.

This analysis will focus on the most relevant forces of the framework which are the rivalry among competitors and the threat of new entry. As mentioned in the problem definition, 1 OCEAN's value proposition is not defined enough yet to efficiently identify and analyse the substitute products. Since 1 OCEAN works with partnerships, analysing the powers of suppliers would be irrelevant as well. The bargaining power of buyers will not be discussed in this part either, due to the specificity of the field of activity of the company.

3.5.2 Research findings

Concerning the competitive rivalry, the region of Seine Maritime (Le Havre) includes 1666 firms in management advices and company organization. Small and medium companies represent 98,2% of the firms operating in the same field as 1 OCEAN in the department. These companies employ between 10 and 250 workers and have a turnover between two and 50M€ per year. During the last six months the number of company's creation decreased. In January 2018, 39 companies were launched compared with 11 companies in April 2018 (Manageo, n.d.).

The threat of potential entry on Le Havre's maritime market is relatively important. Different barriers could be considered as economies of scale, non-scale-based advantages (refers to proprietary technology such as patent), product differentiation, or network externalities which is a characteristic of the high-tech industry (Peng, 2014). The consulting business area is usually composed of large and well-known companies who are leading the market by offering high technology systems to the customers (Kumar, 2015). Le Havre's maritime market does not have any barrier to entry because the market is composed of small and medium companies who cannot use economy of scale or technological patent (Manageo, n.d.). This means that any company could set up a business in the management advices and company organization field in the region.

4. Conclusions

Based on the previous research findings and answers to sub-questions, it is now wise to say that there is no suitable strategy for 1 OCEAN to enter the new location selected, Le Havre in France. Indeed, the intensity of the competition in the region, combined to the characteristics of maritime and logistics sector in terms of innovativeness makes it very difficult for the company to consider an expansion in this area. Furthermore, this research has pointed out that 1 OCEAN can still improve its strategy and organization internally to reinforce its position on the domestic market before going international. The conclusions per sub-question are described underneath the confrontation matrix where the output of a SWOT analysis is analysed further.

	Strengths	Weaknesses
	<ul style="list-style-type: none"> - Workplace innovation - Passionate - Benefits for partners 	<ul style="list-style-type: none"> - Unclear strategy - Lack of transparency - Lack of (blockchain) expertise
Opportunity <ul style="list-style-type: none"> - Blockchain technology - Industry openness to innovation - Location Rotterdam (domestic focus) 	How could the passion of 1 OCEAN partners benefit to the domestic focus of Rotterdam?	How will 1 OCEAN manage the lack of blockchain expertise to meet the demand for blockchain technology in the maritime and logistics sector?
Threats <ul style="list-style-type: none"> - Innovation laggards - High level of competitiveness (Le Havre) - French culture 	Could the benefits of the partners be provided within the region of Le Havre?	How is an unclear strategy going to impact the innovation laggards within the maritime and logistics industry?

Figure 11: An overview of the research findings presented in a confrontation matrix.

4.1 First sub-question and objective

Framework: The Treacy and Wiersema's Value discipline model

It could be concluded that the current strategy of 1 OCEAN falls under the value discipline: customer intimacy. The organisation internally and externally concentrates on “people”. They have a strong customer focus, collaborating with the client in a relationship driven way. Each customer will receive a unique and personal approach based on their requirements and wishes. Moreover, an important research finding was the lack of transparency on the website of 1 OCEAN towards the client. Also, the strategy, mission, and vision of 1 OCEAN are not clearly stated on the website. Furthermore, the company relies very much on its own network, whereby the question arises not to rely on a more stable external network. Thereby, if 1 OCEAN is lacking expertise for a certain project this can become a large drawback even leading to the refusal of a project.

4.2 Second sub-question and objective

Framework: Adopter Categorization on the Basis of Innovativeness

Based upon the sector analysis, it can be concluded that the maritime and logistics sector acts as a late majority in the adopter categories of Rogers. Due to the risk averse attitude of the industry, one can doubt its ability to implement workplace innovation. However, once the sector knows that an innovation is beneficial, it will be open to the innovation and implement it. Moreover, because of technological innovations like blockchain, the industry could see the importance of starting to act and innovate sooner in prevention of falling behind.

4.3 Third sub-question and objective

Framework: PESTLE analysis and Hofstede's cultural dimensions

Hofstede's framework has highlighted several elements of French culture: in terms of business, hierarchy is very important. Compared to the Dutch culture, it is more driven by achievement, success and competition than the Dutch society. Moreover, French people value structure, planning, stability, rules and security (Hofstede Insights, 2018). The cultural analysis has proved that France is appropriate as a new location to 1 OCEAN in terms of cultural differences with the Netherlands. These differences can easily be tamed to do business with new French partners.

4.4 Fourth sub-question and objective

Framework: Hierarchical Model of Market Entry Modes

Regarding the company's profile and value proposition, contractual agreements fit the objective whereas exports are mostly used to sell a product using the economy of scale or via domestically based export intermediaries. A contractual agreement concerns specific terms between two or more entities agreed on return for a valuable benefit. It allows 1 OCEAN to reduce costs, risks and uncertainties, gain access to complementary assets, learn from partners (Peng, 2014).

4.5 Fifth sub-question and objective

Framework: Porter's Five Forces

The analysis of the competitive rivalry pointed out that the competition on the market is strong and diverse. There already are many companies doing the same business as 1 OCEAN. Furthermore, there are no barriers of entry in the field of activity of the company. This means that any business that would like to settle in the region can do it without any noticeable difficulty.

5. Recommendations

In this section, five recommendations are given based on internal and external gaps which were identified during the research. If they will be fulfilled, 1 OCEAN could make advantageous improvements for their business to grow. As it is not yet advisable to expand internationally the scope of the provided recommendations below relies on the organization internally, its network, and the maritime and logistics sector (with focus on the blockchain technology to benefit from).

5.1 Customer intimacy

With regards to the Treacy and Wiersema's Value discipline model, 1 OCEAN should focus on customer intimacy regarding their strategic approach as this is the organisation's value proposition (Treacy & Wiersema, 1993). Meaning that the trade-off should be made to focus less on partnering with professionals to expand 1 OCEAN's internal network but rely more on the engagement and expansion of its customer base. By offering more digital touchpoints (such as blogs, events, customer service) to interact with the customer 1 OCEAN could utilize the customer's experience. Regarding customer service it is true that managing this correctly will increase the customer's loyalty. During the processes in which the customer is involved it is of utmost importance to create a personal bond, so 1 OCEAN gets to know its customer and achieve a higher return of investment (Accenture, 2018) (CMG, 2018). To accomplish customer service on a higher-level customer relationship management (CRM) should be practiced steadily with a related system and integrated in the company's policies (Salesforce, 2018).

5.2 Transparency

Regarding 1 OCEAN's communication, the company should be more transparent with its customers. Though the website has evolved recently, some important elements can still be improved (typos being part of them). First of all, by comparing the Dutch and English environments, it appears that statements are not the same and could be clearer. Both environments need to be more consistent about the core values of 1 OCEAN. As stated in the previous part 3.1.2 *Combining forces* (p.7), 1 OCEAN does have four pillars. Nevertheless, those pillars reflect more a way of working with partners than actual values. With regards to the suggested strategic approach focusing on customer intimacy, those core values should emphasize more on the customer relationships instead of focusing on partners. Furthermore, 1 OCEAN needs to be more specific regarding its mission and vision statements. A mission statement is a written declaration of an organization's purpose and focus, which normally remains unchanged over time. In short, it helps customers as well as partners to clearly identify what the company does and what is important. The vision statement is more of a description of what the company wants to achieve and accomplish in the mid-term or long-term future. It is intended to serve as a guide for choosing current and future courses of action (BusinessDictionary, 2018) (Mullins & Christy, 2016).

To add some more transparency, 1 OCEAN could for instance create a short video. It could be a good communication support to make 1 OCEAN's projects more visual and more visible. Furthermore, creating a video increases the brand awareness, drives sales and increases customer engagement (Maguire, 2016). Not only could the company use it directly on its website, but it could also serve as a promotional tool during events, such as fairs. Different steps need to be taken in consideration such as scripting, film-making or editing. Because 1 OCEAN seems open to partnerships with students, a good alternative to not invest too much time and money in such a project would be to ask help directly from Rotterdam students in the field of digital communication / media.

5.3 External network event

The idea is to do an external non-business-related event in Rotterdam to make 1 OCEAN more visible for potential partners and customers. The aim for 1 OCEAN is to improve its brand awareness in the

region of Rotterdam and to connect face-to-face with people to create a trust and long-term relationship with potential business partners. The event will be open to the widest number of people to have a big impact. A sport event such as running competition brings people from different age, with different backgrounds and from different field of activity (students from Rotterdam, young workers who wants to expand their business network, well established companies looking for new partnerships). The marketing area would be in charge of the project working in partnership with the financial area to make sure that 1 OCEAN could cover the event's costs (medical security stand, location, equipment, numbers, licence, promotion). In order to decrease the cost and have more impact and visibility, 1 OCEAN could work in partnership with another company to organize the event and use sponsors.

5.4 Maritime and Logistics Industry

As concluded in the conducted research, the maritime and logistics sector has not always been at the frontline of innovations. Even though, the industry is open to innovation, implementation awaits certainty of added-value. This is something that needs to be taken into consideration by 1 OCEAN whilst approaching potential customers. If the company wants to act as a change agent in the industry, they need to put emphasis on the benefits of the organization and convince the prospective users of its added-value in their organization while letting them play the largest role in the change themselves (Tams, 2018) (Balster, 2017). Next to this, 1 OCEAN needs to be patient as the late majority innovators do not easily adopt new technologies and therefore not to push them, since this can result in a negative outcome (Rogers, 2003).

5.5 Blockchain

As discussed previously, blockchain can result in many benefits for the logistics and maritime sector such as saving a lot of paperwork, enhancing transparency and saving cost in a secured and fast manner (Harvard Business Review, 2017). The increasing awareness of blockchain is a trend 1 OCEAN can benefit from by obtaining knowledge on the technology and supporting, training and coaching companies with implementing it and engraining the innovations in daily operations. As blockchain can result in radical changes for many companies in the coming years, enterprise will need a blockchain expert who can advise them on what to do (Saunders, 2016). As 1 OCEAN, no longer has the in-house knowledge with regards to blockchain it is advised to use a LinkedIn Premium Business account to find a blockchain expert who can help 1 OCEAN with fully understanding the technology and helping prospective clients (G.J. Huisink, personal communication, 28 March 2018). LinkedIn recruiting is advised, because it can be a great channel to rapidly find qualified people who could serve the business' needs (Segal, 2018).

6. Implementation plan

In this section an implementation matrix based upon the recommendations is presented for which the business model canvas is consulted. Below the matrix, details on the processes and activities per project are described. Please note that labour costs are applicable to every project and prices are mentioned in euros (subject to the USD to EUR exchange rate of 23 May 2018).

6.1 Implementation matrix

Projects	Price	Time	Who	Start	Due	Impact	Risk	Mediate	Goal	ROI
Implementation of CRM System	Cloud-based €43-85 p/m In-house €213-853 p/m Self-made (varies) (Finances Online, 2018)	Implementation period approx. 3 months	Administrative or Marketing & Communication function	June '18	August '18	High	Change averse	Support + embrace change	Customer intimacy value proposition	200% (Sales derived from increased customer's base)
Creation Promotion Video	No costs	7-8 weeks (one school block)	Communication & Media Design Students	September '18	November '18	Moderate	Students fail to provide a quality video on time	Calculate lag time (another school block)	Being transparent about 1 OCEAN's activities	Increased brand awareness + sales + customer engagement
LinkedIn Premium Business	€42,34 p/m yearly contract (LinkedIn Corporation, 2018)	Set-up 15 minutes Implementation 3 days	Administrative or HR function	June '18	June '18	Low - Moderate	To not find the right human capital	Alternative like a job agency conducting the job for you	Expand network (e.g. with blockchain expertise)	Brand awareness + increased human capital/talent management
Block Chain Expert	Minimum €128.000 year salary (Petrashchuk, 2018)	1-5 years	Student or professional	July '18	July '22	High	High employee turnover rate and high workload	Having teams to share the workload or take turns	Offer expertise and the right technology for the sector	1000% (Sophisticated extension of the consultancy offer)
Sport Event	Promotion Security stand Equipment Licence Location Insurance	1 year	Communication and marketing area	June '18	June 19	Moderate	Cannot really measure the return of investment, waste of time	Conduct a pilot and preparation is key	Increase brand awareness and visibility	Attract new customers and new partners, develop new projects

6.2 Processes and activities

Implementation of CRM System

It is recommended to acquire a novel CRM system which is a tailored process. It should be carefully decided which CRM system fits 1 OCEAN best and make of the implementation a project. Implementing a CRM system takes approximately three months and often companies do face difficulties with it. Because of this reason Forbes recommends the following three steps to succeed: focus on the reports which the CRM systems delivers, invest in an administrative specialist, and embrace the CRM system (fully focus on the customer relationship with the whole team) (Marks, 2012) (Adams, 2016).

Creation Promotion Video

The success of this project relies mostly on the creativity and engagement of the students enrolled in the chosen program. However, in order to carry out the project, 1 OCEAN will first have to define precisely their core values, mission and vision, as suggested in the previous recommendations. This will allow to give a correct input to students who will create the video. The teaching staff will intervene in this project to find an agreement that can benefit both the company and the students.

LinkedIn Premium Business Account

This project will help 1 OCEAN to get in-touch with the right blockchain expert and other qualified prospective employees. There are four types of premium plans on LinkedIn. It is advised to set up a LinkedIn Premium Business account as this plan is based on finding and contacting the right people, promoting one's business and growing it and learning new skills to enhance one's personal brand (LinkedIn Corporation, 2018) (McEwen, 2018). A LinkedIn account can be set-up via: <https://www.linkedin.com/>. Afterwards via this link: <https://www.linkedin.com/premium/products> the Premium Business plan can be selected. First, a free month is provided after which €42.34 is paid per month (when billed annually). It is expected that it takes an administrative or HR employee (with no previous LinkedIn experience) about 2 days to fully understand the LinkedIn environment.

Blockchain Expert

To find the right blockchain expert two routes can be considered. The first one entails, using the above-mentioned LinkedIn Premium Business account to find a blockchain expert. Due to the high demand and limited supply of blockchain expert obtaining such an expert can be costly. However, this salary may be worth it as the (financial) benefits from blockchain can be substantial as it is projected that blockchain's business added-value will grow to \$176 billion by 2025 (Piscini, Dalal, Maggaonkar, & Santhana, 2017). Another option would be to find (thesis) student(s) who would be interested in executing a project in the field of blockchain. This would substantially lower the cost. It may be beneficial to have several blockchain related thesis students working together on a project as blockchain is quite complex and the workload could be high for one student only. It is advised to have a set-up meeting during which the desires of the student(s) and 1 OCEAN become clear and the main purpose and scope is set. Depending on the student's performance, it may be beneficial to provide a buy-in or partnership to the student to further enhance 1 OCEAN's blockchain capabilities.

Sport Event

The organization of a sport event will help 1 OCEAN to increase its brand awareness among the future customers and potential partners in Rotterdam. Planning such an event is a challenge for 1 OCEAN and especially managing the total cost of the run. As mentioned before the idea is to share the cost using sponsors and partner companies. Promoting the event is the key of success. A good promotion through social media is important. Nonetheless, billboards and advertising flyers in the city of Rotterdam are necessary to make the event more visible and attractive.

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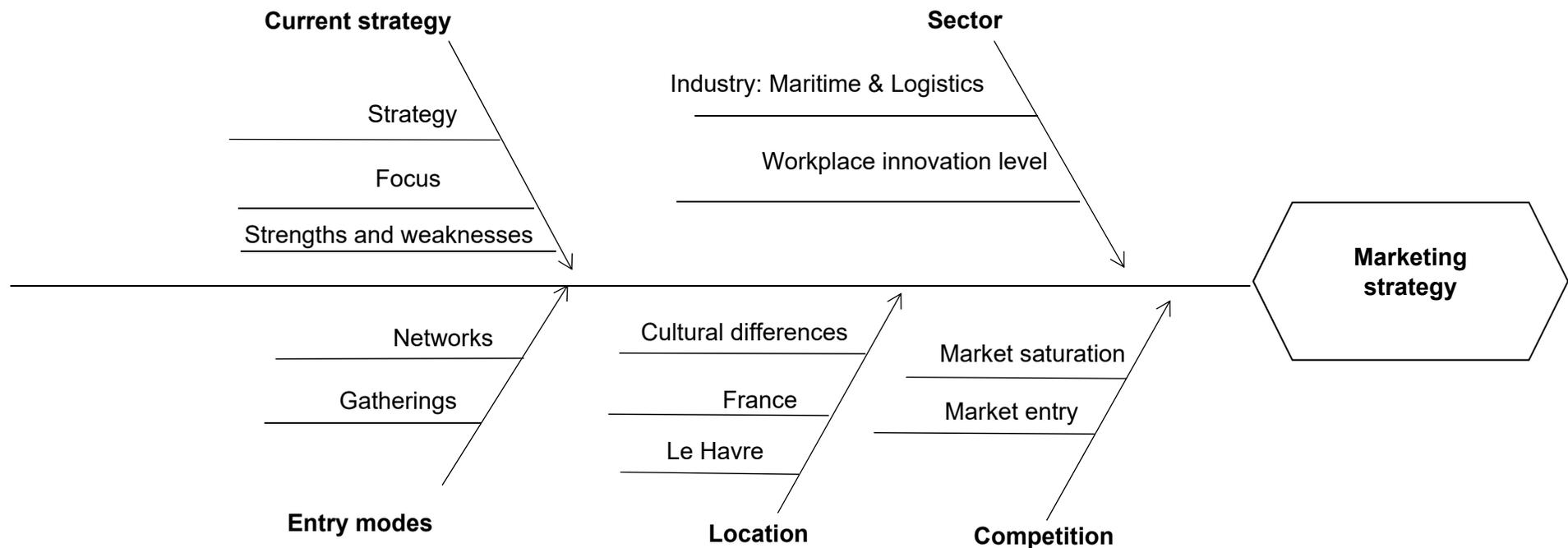
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Appendix

A. Ishikawa Diagram

The Ishikawa diagram, also called the cause and effect diagram or fishbone diagram, is a visualization tool that helps identifying the different causes of a problem. The concept was first described by Kaoru Ishikawa (1968), a Japanese organizational theorist, but also professor at the faculty of engineering in the University of Tokyo. The head of the Ishikawa represents the problem or issue to study. The arrows to the spine list the different causes of this problem in alignment with the different aspects that can contribute to each cause. In this specific case, this Ishikawa diagram provides a clear view on the several key topics to be discussed in the process of research, which will help to develop the marketing strategy of 1 OCEAN (Ishikawa, 1968).



B. Workplace Innovation

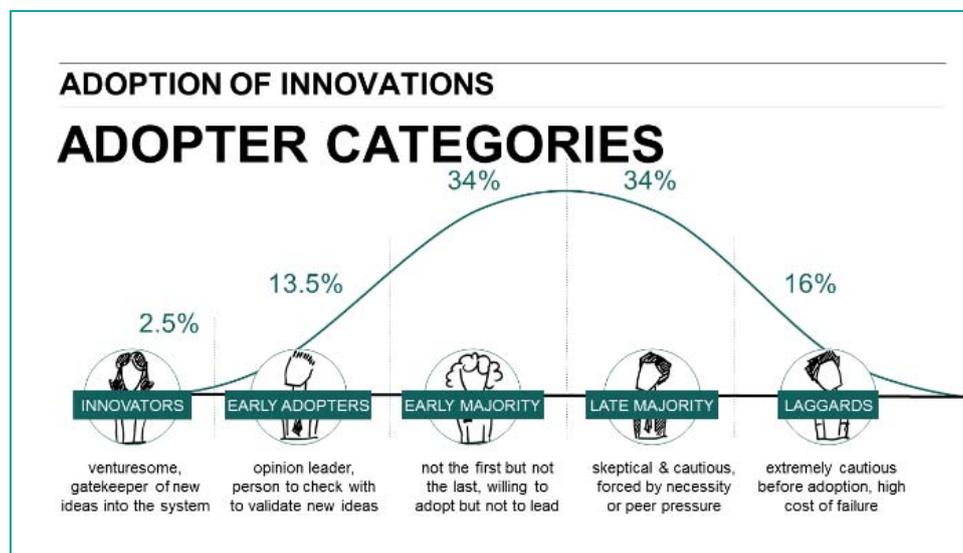
Workplace innovation involves changes in the business structure, in human resources management, in relationships between employers and employees and between suppliers and customers. The aim is to improve the labour productivity and competencies in order to have a successful and competitive business. Workplace innovation can be implemented in any type of business (European Commission, 2018).

C. The Treacy and Wiersema's Value discipline model

The Treacy and Wiersema's Value discipline model assumes that an organization will surpass which it is best in. It distinguishes three value disciplines for strategic approaches which the company can be categorized under. Through focusing on one of these aspects the company can maximize its added value whilst the other two factors should meet industry standards. The first discipline operational excellence stands for extraordinary performance with regards to the operational process. Secondly, customer intimacy is the discipline which focusses on the customer relationship. The third discipline product leadership focuses on the product's quality. 1 OCEAN will be appointed to the value discipline which will be of added value to differ from competition. It is chosen aiding to analyze and formulate the current marketing strategy of 1 OCEAN (Treacy & Wiersema, 1993).

D. Adoption of Innovation Categories

The Adopter Categorization on the Basis of Innovativeness framework is created by Everett Rogers. It enables to classify members of a social system based upon innovativeness. Innovativeness as described by Braak (2001) can be seen as an individual's willingness to change their familiar practices. In total there are five categories based upon their adaptiveness which can be seen in the figure below, namely innovators, early adopters, early majority, late majority and laggards (Rogers, 2003).



The innovators category is open to trying new ideas and should be prepared to deal with a level of uncertainty with regards to the innovation and the possibility of an unprofitable or unsuccessful innovation. These people are also described as the gate keepers who introduce new innovations.

The early adopters are described as role models or leaders who provide their opinions or information on innovative solutions. Due to their leadership status, their views and/or approvals by implementing a new idea are crucial for an innovation to succeed.

Once approved by the early adopters, the early majority are not the first nor the last to adopt the idea. They can be described as willing to adopt, but not willing to lead the adoption.

The late majority, entails about one-third of the social system who have waited until most of their peers have adopted the innovation. The late majority may be sceptical with regards to outcomes and economic necessity of implementing the new idea. Peer pressure may help to persuade them to implement the innovation.

Laggards can be described as traditional viewed and highly sceptical. Due to limited resources and limited knowledge on the innovation, they need to be sure that an innovation functions.

Next to the division of five categories, the diagram can be divided among two divisions. The earlier adopters (consisting of innovators, early adopters and early majority) and the later adopters (late majority and laggards) (Rogers, 2003).

E. PESTLE analysis

The PESTLE framework is an analytic tool to understand the external influences on an organisation. PESTLE stands for Political, Economic, Social, Technological, Legal and Environmental (PESTLE Analysis, 2018). Francis J. Aguilar, an American scholar of strategic planning and general management, first developed this tool, though it was not as advanced as it is today. He suggested (1967) that there were environmental factors that affect a business. The acronym given at that time was ETPS (Economic, Technical, Political, Social factors) and many frameworks derived from it, such as PEST, PESTLE, STEP or STEEPLE (Dcosta, 2011).

F. Hofstede's dimensions

Hofstede's cultural dimensions is a framework developed for cross-cultural communication (Hofstede, 1991). It depicts the impacts of a culture on the values of its members. Cultural differences between the Netherlands and France, when related to business, will then be highlighted through this framework. The model consists of six dimensions: Power Distance Index, Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty Avoidance Index, Long-term orientation versus Short-term orientation and Indulgence versus Restraint. Each represents independent preferences that characterize countries. Hofstede Insights (2018) suggests that those preferences are relative, which means the dimensions should be used by comparison from one country to another. The four first dimensions have been developed in the 1990s, while the two last dimensions have been added to the framework later.

First dimension is called the "Power Distance Index" (PDI). It "expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally" (Hofstede Insights, 2018). The higher the PDI is, the more people in this culture accept the hierarchy without justification.

The second dimension is "Individualism versus Collectivism". It focuses on the relationships between individuals and larger social groups. "A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we"" (Hofstede Insights, 2018).

The third dimension opposes "Masculinity versus Femininity". Some cultures tend to have a preference for ambition and achievement, assertiveness, considered as masculine traits. Others tend to have preferences for cooperation, caring, modesty. Cultures can often be opposed as "tough versus tender" cultures (Hofstede Insights, 2018).

The “Uncertainty Avoidance Index” (UAI) is the fourth dimension of Hofstede’s framework. It reveals how comfortable members of a society are with uncertainty. Countries with high UAI show rigid codes, whereas countries with low UAI maintain a more relaxed attitude (Hofstede Insights, 2018).

The “Long-term orientation versus Short-term orientation” dimension was added later to Hofstede’s six dimensions model. It focuses on the link a country has between its past and its current activity and future challenges it will face. A culture which scores low will tend to maintain longstanding traditions, for example, a high score will mean that the society has a more pragmatic approach and encourages change (Hofstede Insights, 2018).

“Indulgence versus Restraint” represents the last dimension of Hofstede’s framework. It was developed by Michael Minkov and added to Hofstede’s model (Hofstede, Hofstede, & Minkov, 2010). This dimension mainly focuses on national levels of happiness and control in life (Hofstede, 2015). “Indulgent societies allow relatively free gratification of basic and natural human desires leading to enjoying life and having fun. Restrained societies suppress gratification of needs and regulate it by means of strict social norms” (Hofstede, 2015).

G. Hierarchical Model of Market Entry Modes

The choice of entry modes is a key factor to enter a new market. The model provides an overview of different entry modes. The modes have first been divided among equity and non-equity modes depending upon the resource commitment levels of a company (Decker & Zhao, 2004). Equity modes involve more resources. To determine whether equity or non-equity modes are preferred a company needs to look at the investment risk and expected return, choice of local, adaption to this local environment and management, and degree of control which is needed for operations. Non-equity modes consist of export and contractual agreements, such as exporting directly and indirectly. Contractual agreements can be set up in different forms like providing an operating license, alliances or other forms of contracts. Equity modes can be divided among equity joint ventures and wholly owned subsidiaries. The ownership percentage of joint ventures can differ such as a 50/50 division. Wholly owned subsidiaries can be executed in various ways such as greenfield operations and acquisitions of companies (Pan & Tse, 2000).

H. Porter’s Five Forces

The five forces framework is an important tool for understanding the competitiveness of an industry. Porter suggested that “the state of competition in an industry depends on five forces” (1979). These are the following: Rivalry among competitors, Threat of new entry, Bargaining power of suppliers, Bargaining power of buyers and Threat of substitute products.

A high degree of rivalry among competitors can include frequent price wars, proliferation of new products, intense advertising campaigns, and high-cost competitive actions and reactions. To determine the degree of rivalry in an industry, some indicators to mention are the number of competing firms, the similarities in size, influence and product offerings or the exit costs (Peng, 2014, pp. 35-37).

The threat of potential new entry analyses entry barriers to determine whether new entrants can easily access the industry. Elements like the reliance on economies of scale, the level of product differentiation or government policies banning or discouraging entry can help determining the intensity of the threat of new entrants within an industry (Peng, 2014, pp. 36-37).

The bargaining powers of suppliers and buyers refer to “their ability to raise prices and/or reduce the quality of goods and services” (Peng, 2014, p. 41). Suppliers’ power can be measured by the number of suppliers or the level of differentiation of products provided (Peng, 2014, p. 37). The number of buyers as well as the type of purchasing (e.g. standard undifferentiated products) are components that can determine the buyers’ power.

“Substitutes are products of different industries that satisfy customers’ needs currently met by the focal industry” (Peng, 2014, p. 42). The threat of substitutes is high as soon as the following elements are present: the substitutes have a better quality and function than existing products and switching costs to use substitutes are low (Peng, 2014, p. 37).

I. Timing of the Activities

Block 4: Strategic Innovation Management								
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
A. Execute Research								
B. Finalise Research Findings								
C. Form conclusions & recommendations								
D. Implementation plan								
E. Draft Final Paper								
F. Implement Feedback								
G. Finalise Paper								
H. Submit Final Paper								
I. Prepare Final Presentation								
J. Final Presentation								
K. Team Meeting								