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DUTCH EQUESTRIAN PROSPERITY IN CHINA

HOW TO COLLABORATE TO IMPROVE BUSINESS

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Dutch equestrian prosperity in China

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Preface

By writing this preface my MSc thesis is finally coming to an end. The process of writing this report has not been easy and filled with hurdles, but nevertheless I am happy with the result. I think the outcomes could really help the Dutch equestrian industry to improve their business in China by establishing a successful pre-competitive collaboration.

Writing the current research could not have been done without help. First of all, I would like to thank my supervisors Dr. E.F.M. Wubben and Dr. J.L.F. Hagelaar for their feedback and guidance throughout the process which helped me to reach this end result. A special thanks goes to my study advisor Ir. R.M. Boven-Van der Spoel who has really helped me when times were tough.

Of course, I would also like to thank my parents and my friends for their support as I have not always been the brightest ray of sunshine while writing my thesis. I could not have done it without you! Finally, I would like to thank all of the respondents for their time and (elaborate) input.

Hoping you will enjoy reading this MSc thesis report,

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1 Introduction

The Netherlands is globally known and renowned as having high quality sport horses and high-quality products and services in the corresponding industry (KNHS, 2015). This is due to their long equestrian sports history. Already in 1924, the Netherlands became a member of the Fédération Equestre Internationale (hereafter called FEI)¹ (FEI, 2019). This long history has resulted in a lot of experience, expertise and knowledge regarding equestrian sports and the corresponding industry. In the current research the following definition of the equestrian industry will be used:

All firms whose businesses are associated with horses; both in the agribusiness side related to the breeding, use, maintaining and ownership of horses, as well as the commercial side that produces products and provides services associated with horses.

This specific industry has several characteristics. Data of the Dutch Chamber of Commerce shows that the Dutch firms and organisations involved in the equestrian industry are mainly Small and Medium-sized Enterprises (hereafter called SMEs) (www.kvk.nl/handelsregister). SMEs are firms with no more than 250 employees and a maximum annual turnover of €50 million (approximately \$56 million) (European Commission, 2014). According to the Royal Dutch Equestrian Federation (KNHS, 2015) the Dutch equestrian industry accounts for a total yearly revenue between €1,5 billion and €2 billion. A schematic overview of the equestrian industry can be found in appendix 1.

The Dutch equestrian market is relatively small in the globalised world, however. Internationalising is therefore a logical and common phenomenon among Dutch equestrian firms, since they hold lots of knowledge, expertise and experience in the equestrian industry and sports, and the Netherlands being worldwide renowned for their high-quality sport horses and products. In 2015 the Netherlands exported horses for a total of almost \$300 million to countries all around the world (UN Comtrade, 2017)². Figure 1 shows that the USA is by far the biggest importer of Dutch horses. Most of the US equestrian market is already saturated however, making it difficult for new and or smaller firms to enter that market. Those firms that have a desire to go abroad thus look for other foreign markets to sell their equestrian products, services and horses.

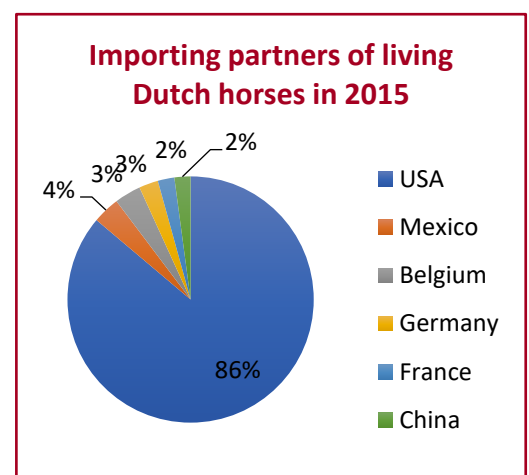


Figure 1 Top 6 importing partners of the Netherlands regarding living horse export (UN Comtrade, 2017)

One of these foreign markets is China's equestrian market, which is relatively new. China's equestrian market only really started to develop about ten years ago (Van der Kruis, 2017). In 2008 the Summer Olympic Games were held in China which have led to an increase in popularity of equestrian sports. Before the Games of 2008 horses were merely seen as a status symbol for rich Chinese businessman. Although equestrian sports is still very much an elite sport in China, the sports and accompanying industry is growing, developing and slowly becoming more accessible (Van der Kruis, 2017). This results in an increasing number of Dutch equestrian firms and organisations finding their way to the Chinese market.

The Dutch equestrian industry has been interested in the Chinese market since the early development of the Chinese equestrian industry and the Netherlands was the first country to get a protocol to legally

¹ "The FEI is the sole controlling authority for all international events in Dressage & Para-Equestrian Dressage, Jumping, Eventing, Driving & Para-Equestrian Driving, Endurance, Vaulting, and Reining. It establishes the regulations and approves equestrian programmes at Championships, Continental and Regional Games as well as the Olympic & Paralympic Games" and was established in 1921 (www.inside.fei.org).

² Data of UN Comtrade shows that 2015 was a common business year with regard to the export numbers of living horses. These numbers thus give a reliable insight in the Dutch export of living horses.

export living (sport) horses to China in 2010 (Van der Kruis, 2017). This has led to an advantage and currently the Netherlands accounts for 27,1% of China's horse import, with a value of almost \$5,5mln, which makes them market leader in China (UN Comtrade, 2017). Van der Kruis (2017) stated that competition on the Chinese market is growing however. In order to remain market leader, the Dutch equestrian industry should thus step up their game and keep improving their business on China's market. Dutch firms encounter difficulties when acting on the Chinese market, however. Those difficulties are mainly caused by the culture and language barriers, the fact that the Chinese market is difficult to enter in general due to legislation, and the fact that the equestrian industry in China is unorganised and lacks proper infrastructure (Van der Kruis, 2017).

Collaboration can offer a solution for the Dutch equestrian industry. In general, it is difficult for SMEs in particular to maintain a foreign market and to ensure reciprocity. Collaboration can solve that problem however (Bernal, Burr & Johnsen, 2002; Coviello & Munro, 1995; Senik, Scott-Ladd, Entekin & Adham, 2011). Collaborating as Dutch equestrian industry in China is extra beneficial as Chinese firms and customers see the Dutch firms as 'representatives' from the Netherlands rather than individual firms (Van der Kruis, 2017). Adding to that, the Chinese market is so large and offers so much potential that there will be no Dutch firm able to serve the entire Chinese market on its own.

In the particular case of the Dutch equestrian industry active in or interested in China, collaboration is a difficult task however. They realise and cautiously want to collaborate regarding market development, but they remain competitors at the same time (Van der Kruis, 2017). This particular type of collaboration is called pre-competitive collaboration. A form of collaboration in which firms collaborate to overcome a common problem in order for their industry to move forward as a whole, but the collaboration stops once the common problem is solved, and the firms then move on individually but in a more prosper market (Holland, 2015). This difficult and delicate form of collaboration is increasingly observed among SMEs (Holland, 2015).

The problem statement for the current study is therefore stated as follows:

Dutch equestrian firms should improve their business to remain market leader on China's equestrian market. This can be done by collaborating as an industry. The Dutch equestrian firms and organisations involved seem to be willing to collaborate in order to achieve this goal, but struggle to actually accomplish pre-competitive collaboration.

Based on this problem statement, the current research has looked into different organisational relationships in which pre-competitive collaboration occurs and the accompanied critical success factors (CSFs) which are needed for the pre-competitive collaboration to be successful.

1.1 Research objective

This study aims to improve the business of the Dutch equestrian industry on China's equestrian market, by determining the critical success factors associated with different organisational relationships in which pre-competitive collaboration occurs.

1.2 Research questions

Main research question:

What are the critical success factors influencing the performance of pre-competitive collaboration and what can the Dutch equestrian industry learn from this?

Sub-questions:

1. Which organisational relationships exist in which pre-competitive collaboration occurs?
2. Which of these organisational relationships can be applied to the Dutch equestrian industry and what are the critical success factors of these organisational relationships?
3. To which extend can and will the Dutch equestrian industry adhere to these critical success factors?
 - (a) To which extend are these critical success factors present in the Dutch equestrian industry?
 - (b) To which extend is the Dutch equestrian industry willing to adhere to these critical success factors?

1.3 Key concepts and definitions

The following concepts and definitions will be used throughout the research.

Equestrian industry

All firms whose businesses are associated with horses; both in the agribusiness side related to the breeding, use, maintaining and ownership of horses, as well as the commercial side that produce products and provide services associated with horses (Van der Kruis, 2017). It is possible to divide such an industry into smaller, more specific and or speciality markets. However, if this is the case it will be mentioned specifically.

Equestrian market

The entire market linked to a country's equestrian industry (Van der Kruis, 2017). It is possible to divide such a market into smaller, more specific and or speciality markets. However, when this is relevant it will be mentioned specifically.

Collaboration

A situation in which two or more firms work together in order to achieve mutual goals with higher outcomes for each firm than they individually could have achieved (Daugherty et al., 2006; Kourti, 2017; Cambridge Business English Dictionary).

Holland Horse Foundation (HHF)

"The Holland Horse Foundation is a foundation which exist out of the equestrian experts of the Netherlands. These experts have joined their forces with this initiative to reach the upcoming horse countries to help them develop their equestrian knowledge" (www.HHF.org).

Companies included in the HHF are: KWPN (Royal Dutch Sport Horse), Anemone Horsetrucks (transportation), Pavo (horse feed), Van Hall Larenstein (veterinary care), Xcellent Horse Insurance (horse insurance), Utrecht University (university of applied sciences), Arnd Bronkhorst (equestrian photography), Smulders (stabling), Van Uytert (horse trading), Stal Hendrix (horse trading), Van Olst Horses (horse trading), VDL Stud (horse trading), Egbert Schep (horse trading), Nijhof (horse trading) (www.HHF.org).

Partners for International Business (PIB)

PIB is a programme offered by the Dutch government and is a programme which enables a public-private collaboration with the goal of realising firms' international ambitions. Collaborating with firms from the same sector and the Dutch government is helpful to overcome some hurdles of operating internationally such as trading barriers and disadvantageous regulation. A PIB involves establishing a two- or three-year plan including strategic activities to position a (sub-)sector the best way possible in a foreign market. This plan is established by a Dutch cluster of firms and institutions together with the Dutch government (www.RVO.nl/subsidies-regelingen/partners-international-business-pib).

2 Literature review

This section is dedicated to a literature review on pre-competitive collaboration. The purpose of this review is to gain insights in the critical success factors of pre-competitive collaboration. First the literature on collaboration itself is reviewed after which the literature on specifically pre-competition is discussed. Then the literature on different types of organisational relationships in which pre-competitive collaboration occurs is examined³, starting with market development collaborations, then joint Research and Development arrangements, University-Industry Collaborations, and Public-Private Partnerships, followed by the literature review on pre-competitive collaboration in different sectors. The section is finalised by a literature review regarding the critical success factors of these different organisational relationships in which pre-competitive collaboration occurs.

Collaboration

Collaboration can be found in many different forms in many different areas of business and research. Definitions of collaboration also vary greatly. It can be defined as two or more independent firms working together to jointly achieve greater success than can be attained in isolation (Daugherty et al., 2006). Another definition given is that when two or more firms collaborate, they work together to achieve mutual goals (Kourti, 2017). The definition of collaboration according to the Cambridge Business English Dictionary is “the act of working together with other people or organisations to create or achieve something”. These three definitions represent the different definitions used in the majority of research, as all definitions are more or less the same as one of these definitions. However, none of these definitions was found to fit the situation of the current research. In the current research the following definition of collaboration will be used, which is based upon the three aforementioned definitions:

A situation in which two or more firms work together in order to achieve mutual goals with higher outcomes for each firm than they individually could have achieved.

Collaboration has positive effects when focussing on foresight. Due to the joint discussion, sharing resources and expertise, and having perspectives from different backgrounds, out-of-the-box thinking can be stimulated and “the risk of being limited to existing mental models can be avoided” (Gattringer, Wiener & Strehl, 2017). Collaboration also leads to synergy and allows the firms involved to focus on their core competencies and therewith maintain strategic and operational focus (Daugherty et al., 2006). Furthermore, Ralston (2014) suggests that specifically supply chain collaboration can help with meeting customer expectations, as well as improve the performance of both (or multiple) parties involved in the collaboration.

Although collaboration has proven to be beneficial for firms, implementing said collaboration can be a daunting task. This is mainly due to the fact that all different interests, expectations and motivations of the different participants should be taken into account (Simatupang & Sridharan, 2018). A reason for failure of supply chain collaboration for example, is chain members ignoring others involved while designing interorganisational goals. They only take their own personal goals and priorities into account, which ultimately results in minimal payoffs of the collaboration (Anderson & Jap, 2005).

Pre-competitive collaboration

Pre-competitive collaboration holds the afore mentioned advantages but adds one more difficulty regarding implementing. It is increasingly getting common that especially SMEs collaborate to overcome a common problem in order for the industry to move forward as a whole. Once the common problem is solved however, the parties involved go back to being competitors, albeit in a more

³ Note that the list of organisational relationship types used in the current research is not exhaustive.

prosperous market. Such collaboration is called pre-competitive collaboration (Holland, 2015). The fact that the participants go back to being competitors after the collaboration makes pre-competition a difficult and delicate form of collaboration to put into practice.

Coopetition

Another form of collaboration that is closely related to pre-competition and applicable to the Dutch horse industry is coopetition. Coopetition exist when two or more firms simultaneously are involved in both a cooperation- and a competition-based relationship (Dagnino, 2009). It can be defined as “a paradoxical relationship between two or more actors, regardless of whether they are in horizontal or vertical relationships, simultaneously involved in cooperative and competitive interactions” (Bengtsson & Kock, 2014). Despite the contradicting nature of such a relationship, coopetition is meant to repeatedly lead to business interactions and is increasingly used as a competitive strategy (Bengtsson & Kock, 2014; Zerbini & Castaldo, 2007). Therefore, it appears on many different levels from a value-net comprising a firm’s suppliers, customers, competitors, and complementors to two firms that compete directly with one another (Bengtsson & Johansson, 2014). Firms use coopetition to strengthen their position on a certain market. It appears to be logic for SMEs to strengthen their competencies by collaborating with one another since SMEs tend to face the same challenges (Bengtsson & Johansson, 2014). By integrating an organisation’s own competitive advantages (comprised by specific resources, competences and market position) with complementing resources of competitors, firms strengthen their market position (Jankowska, 2010). Furthermore, coopetition leads to improved business performance, competitive advantage and innovation, stimulates creating and sharing knowledge, and helps deal with increasing uncertainty and complexity in a fast and globalised economic environment (Mariani, 2016). This leads to reduced economic risk and moreover organisations can access new (foreign) markets more easily. Coopetition thus leads to organisations mutually making good use of one’s competitive potential. Despite these advantages, the downside of coopetition is the constant competitive battle for market share, cost leadership and inducing technologic market changes (Jankowska, 2010).

The section above regarding pre-competitive collaboration and coopetition shows that both concepts are very much alike. The relationship between the concepts is visually represented in figure 2. There are some differences (e.g. during pre-competitive collaboration the competitive relationship between participants is temporarily ‘forgotten’ and returns only after the common problem is solved, while in case of coopetition both the competitive and collaborating relationships are constantly present), however these are minor differences and not relevant for the current research (i.e. both hold the same critical success factors). Therefore, both pre-competitive collaboration and coopetition are taken into account in the current research as they are both applicable to the Dutch equestrian industry active in China. The literature on both forms of collaboration taken together provides a sufficient theoretical background to base this research on. Next, the different relationships in which pre-competitive collaboration and coopetition occur are discussed.

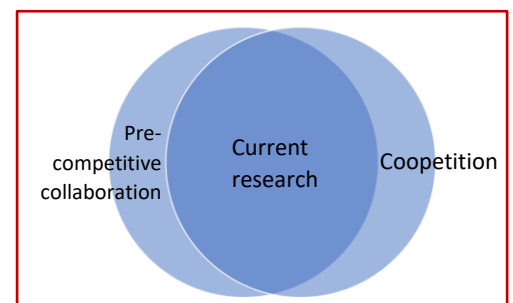


Figure 2 Relation pre-competitive collaboration and coopetition

2.1 Organisational relationships with pre-competitive collaboration and coopetition

The section above looked into the general literature regarding collaboration and pre-competitive collaboration and coopetition specifically. The next part will review the literature regarding different organisational relationships in which pre-competitive collaboration and coopetition occur.

2.1.1 Market development collaborations

Many small- and medium-sized enterprises (SMEs) had been dependent on their domestic market in the past. With the changing and globalising economic environment however, many of them need to develop international markets in order to survive (Johnsen & Johnsen, 1999). Oftentimes SMEs receive their first international order unsolicited and react to this opportunity of market expansion, rather than having the internationalisation planned and actively developing a new market (Johnsen & Johnsen, 1999; Simmonds & Smith, 1968; Simpson & Kujawa, 1974). The factors influencing such initial contacts in foreign markets are the external influence of other firms, government bodies, and the development of relationships with intermediaries (Harris & Wheeler, 2005). Whether or not firms should react to the opportunity given by an unsolicited order depends on to what extent the firm has a positive attitude towards the foreign country, and to which extent there is a positive, proactive management interest in developing foreign markets (Johnsen & Johnsen, 1999; Simpson & Kujawa, 1974). The next step is developing, ensuring reciprocity and maintaining the foreign market. It is difficult for SMEs to gain and maintain a foreign market all by themselves due to the limitation they have as an SME. Collaboration (e.g. in a network) can serve as a solution for their internationalisation problems however (Bernal, Burr & Johnsen, 2002; Coviello & Munro, 1995; Senik, Scott-Ladd, Entekin & Adham, 2011).

2.1.2 Joint Research & Development arrangements

In technology-intensive industries, inter-firm cooperation – such as pre-competitive collaboration – has become of great importance in competitive strategies. This is especially the case for SMEs due to increasing R&D (Research and Development) costs and accelerating technological changes (Vonortas, 1994). In order to deal with such obstacles in the R&D phase, competing firms and organisations can collaborate. It makes sense to collaborate with competitors regarding R&D as they often have a relevant knowledge base as they have the same goals and pursue common innovation projects. Cooperation with competitors can thus enhance a firm's knowledge and skills and improve their absorptive capacity (Wu, 2014). More generally, such collaborations allow firms to undertake research all together, which would be difficult for each of them to undertake alone (Vonortas, 1994). So-called cooptition's vary from joint R&D arrangements, to sharing marketing assets or brand names, to sharing the manufacturing process. Cooptition also has a downside, however. Opportunistic behaviour is oftentimes observed, which can lead to information leakage, changes in objectives, and illegal transfers of core technology for individual gain (Wu, 2014).

A common example of joint R&D arrangements is research joint ventures (RJV) (Vonortas, 1994). RJV's can take several various organisational forms on a wide range. For example, equity joint ventures where several firms and organisations establish a new entity that focuses on the R&D of some specific product. Also non-equity RJVs exist, where several firms and organisations collaborate without establishing a new entity. This is mostly seen where a larger firm collaborates with a smaller firm with specific knowledge on certain research areas. Within the range of equity and non-equity RJVs, different organisational forms exist (Hagedoorn, Link & Vonortas, 2000). For collaboration to be called pre-competitive, one condition is that the participants go back to being competitors after the collaboration. Since this is not the case with equity RJV – as a new entity is formed – these types of research partnership fall outside the spectrum of pre-competitive collaboration and will thus not be taken into account in the current research. An example of a non-equity RJV is multi-member organisation. Such an organisation undertakes research which is of common interest to all participants. The research purposes of multi-member organisations can differ from generic pre-competitive research, to the development of manufacturing process technologies (Vonortas, 1994).

2.1.3 University-Industry Collaborations

Firms' in-house R&D facilities and resources are in an increasing rate no longer sufficient to produce the next generation products. This results in a paradigm shift in which firms become more willing to collaborate and get the expertise and resources that they are internally missing, from others. Universities hold plenty of knowledge and research expertise. To an increasing extent, universities are responding to the growing demand from firms for said knowledge and expertise, leading to the development of University-Industry Collaborations (UICs) through knowledge transfers (Bloedon & Stokes, 1994). In the past years UICs have gained even more interest and popularity. This is due to the drastically changed competitive environment of the industry due to rapid technological changes, shorter product life cycles and the intensification of globalisation (Ankrah & AL-Tabbaa, 2015). Universities on the other hand are facing societal pressure of increasingly being seen as a driver for economic growth, pressure for new knowledge growth, and dealing with rising costs and funding problems. UICs offer solutions for the problems of both parties and aim to boost innovation and economic competitiveness at institutional levels. Furthermore, UICs enhance firms' organisational capacity in open innovation (Ankrah & AL-Tabbaa, 2015). Knowledge transfer is central in such collaborations, and can be defined as *the process by which specific knowledge and expertise of one organised setting is brought into use (transferred) within another organised setting* (Cutler, 1989). Within knowledge transfer between universities and the industry, the key measurement is quality rather than quantity. The outcomes of successful University-Industry Collaborations can differ based on the goal of said collaboration. Examples are generating profit or recognising and reducing potential losses (Bloedon & Stokes, 1994).

The most commonly used forms of UICs are joint ventures, networks, consortia and alliances. Within these forms the degree of linkage between participants can vary (Ankrah & AL-Tabbaa, 2015; Barringer & Harrison, 2000). Whichever organisational form is chosen, UICs can be classified in six categories: (1) personal informal relationships (e.g. individual consultancy, joint or individual lectures, and information exchange forums), (2) personal formal relationships (e.g. student internships, joint supervision of PhD's and master theses, sabbatical periods for professors, and use of university or industrial facility), (3) third party (e.g. liaison offices, government agencies, and institutional consultancy), (4) formal targeted agreements (e.g. contract research, patenting and licensing agreements, joint research programmes, and training programmes for employees), (5) formal non-targeted agreements (e.g. endowed chairs and advisory boards, funding of university posts, and industrially sponsored R&D in university departments), and (6) Focused structures (e.g. association contracts, research, science and technology parks, subsidiary ownerships, and mergers) (Ankrah & AL-Tabbaa, 2015; Bonaccorsi & Piccaluga, 1994).

2.1.4 Public-Private Partnerships

Besides their own individual problems, many firms – in different sectors – have to deal with industry wide problems. Such problems can for example arise due to conflicts-of-interest, and are often hard to solve for the individual firms involved in said industry as often e.g. regulation is needed. Public organisations can help solve these problems by e.g. providing the needed regulation (Goldman, 2012; Knapp et al., 2013; Vertinsky, 2015). Pre-competitive collaboration in the form of Public-Private Partnerships (PPPs) can basically pursue four different goals: (1) develop standards and infrastructure (to improve process efficiency), (2) data generation and aggregation (to be able to take on large-scale projects), (3) knowledge creation, and (4) product development (e.g. to speed up the process) (Altshuler, et al., 2010).

In the touristic sector PPPs are seen where (semi-)public organisations operate as a liaison for firms located in the same touristic destination, in order to stimulate cooperation and help those firms find the right collaborations at the right time. Collaborations which are needed to maintain the competitive position of their shared destination in a globalising world (see section 2.1.5.2) (Kylanen & Mariani, 2012).

Another sector in which Public-Private Partnerships can offer solutions is the complex pharmaceutical innovation area. This specific type of innovation, especially concerning complex disease areas, has proven to be complex due to it being a long, costly and risky process. At the same time there is great commercial interest as well as strong public need involved (Vertinsky, 2015). Currently drug development is the domain of pharmaceutical firms which hold great value in patent protection and secrecy. This is due to profit gains from producing an effective treatment often being immense. Much money, time and effort are being wasted in the current drug development process (Altshuler et al., 2010). Duplicative unsuccessful drug developments are no exception. Pre-competitive PPPs can offer a solution however. Partnerships allow for resource and expertise pooling, they increase the incentive to share knowledge among the partners involved, and by cooperating all together the amount of research duplications and mistakes is lowered (Goldman, 2012; Knapp et al, 2013). Public-private partnerships specifically add the advantage that contractual restrictions are issued on patenting. Without patents, the competitive advantage in the development process of one firm over the other has been removed which encourages fair and equal collaboration (Vertinsky, 2015). More generally speaking, policymakers can create conditions for pre-competitive collaboration within PPPs in order to stimulate such industry development. This is done by modifying the legal framework and clarifying and limiting the application of anti-trust law to cooperative research ventures (Vertinsky, 2015). Another problem of drug discovery research where PPPs can solve problems, is the research increasingly being involved with collecting lots of data. Handling such data is often unguided which results in data that differs in quality, formats, standards, copyright and licensing. This hinders knowledge discovery and increases duplication of effort as it complicates data sharing, integration, re-use and further exploitation of said data (Williams et al., 2012). Collaborative working on pre-competitive data would thus reduce costs, in vain efforts, and invested time. A PPP could offer solutions for the unguided data handling and the accompanied problems (e.g. by public organisations offering Semantic Web technologies) (Williams et al., 2012).

2.1.5 Pre-competitive collaboration and coopetition in sector

2.1.5.1 HOTEL INDUSTRY

Friendships between competitors has long been seen as inappropriate and even illicit, as they were supposed to often facilitate collusion. Although it is true that friendships among competitors can lead to collusion, the benefits of such friendships are increasingly being acknowledged as well. Among the benefits are knowledge sharing and improving collaboration (Ingram & Roberts, 2000). The hotel industry is one in which coopetition in the form of friendships between competitors is common. The benefits of these coopetitions can be divided in three categories, (1) collaboration, (2) mitigation of competition, and (3) improved exchange of information. Each of these topics will be discussed next.

1. Collaboration

Collaboration through friendship among managers has shown to add value for the customers because of improved problem solving. Friendships result in the recognition of shared benefits, joint problem solving and sharing feedback between organisations. This benefits the capacity to effectively respond to customer feedback (Uzzi, 1996). Adding to this are experiments showing that in case of a repeated prisoner's dilemma, individuals in the role of 'friend' were more likely to cooperate than the ones having the role of 'businessperson' (Montgomery, 1998). Examples of the benefits of friendships between competitors in the hotel industry specifically are (1) that collective action is taken to improve customer service, (2) cooperation through regular meeting to attract large conventions to hotels in the same region, and (3) referring customers to friends at competing hotels (whom they trust to treat the customers well) when they are themselves overbooked (Ingram & Roberts, 2000).

2. Mitigation of competition

Friendships among competitors can also lead to mitigating of competition. In extreme cases competition can be abolished when illegal cartels are formed through price-fixing (Baker & Faulkner, 1993; Dobbin & Dowd, 1997; Podolny & Morton, 1999). Other forms of competition mitigation are

present though, such as tacit norms against aggressive competitive behaviour and strategic awareness among competitors (Ingram & Roberts, 2000).

Norms against aggressive competitive behaviour means as much as fearing punishment when managers do not adhere to the social norms set by their friendships. Friendships provide the means to enforce norms that support the collective interest of the group. When a group member disobeys these norms, he or she will be punished by social means such as exclusions from the group (Coleman, 1990). Within friendship networks among competitors, firms find it difficult to find a target for their competitive attacks (Ingram & Roberts, 2000; Perry, 1998).

Mutual understanding of a competitor's predisposition to respond to others' strategic moves can lead to higher levels of collective action, and better information sharing. It can even lead to tacit collusion as competitors become aware that (aggressive) strategic moves will bring retaliation (Axelrod, 1984; Ingram & Roberts, 2000). Ingram and Roberts (2000) stated that the awareness of competitor's predispositions that developed from friendships among competitors, had prevented bidding wars within the Sydney hotel industry for example.

3. Information exchange

Friendships between managers can be characterised as a relationship with higher levels of trust and empathy. Furthermore, friendships contain norms of reciprocity (Uzzi, 1996). These characteristics allow for improved information sharing in terms of depth and quality (Ingram & Roberts, 2000). This holds for the hotel industry, as managers regularly ask a befriended competing manager for information regarding market conditions. Asking a friend is mentioned as being the easiest and most reliable method to gather such information (Ingram & Roberts, 2000).

2.1.5.2 TOURISM SECTOR

As mentioned before, coopetition has several benefits and is sometimes inevitable to survive in the current rapid changing and increasing complex and global economic environment (Bengtsson & Kock, 1999; Mariani, 2016; Park, Srivastava & Gnyawali, 2014). The tourism sector is an example in which coopetition is increasingly chosen to improve (or retain) firms' performance. It is a sector in which products and services are delivered by different highly interdependent firms, such as transportation, accommodation, catering, and entertainment firms. These firms all together form a value creation network and deliver a product assembled of different elements at the time of consumption. Their value chain production process thus differs greatly from the manufacturing industry, where a more step-by-step and linear production process is used (Wang & Krakover, 2008). In order to create value, improve their customers' experiences, and increase their own profitability, firms situated in the same touristic destination will have to cooperate as the long-term competitiveness and success of said destination is partly based on the balance between cooperation and competition of the local firms (Buhalis, 2000; Mariani, 2016). The destination can thus be seen as a product which is collectively marketed by private and public firms led by stakeholders under the title Destination Management Organisations (DMOs) (Mariani, 2016).

DMOs play a key role in the tourism industry as they have to create local partnerships between tourism firms (in order to ensure the best possible experience for tourists, while the firms can remain profitable), ensure a balance between economic benefits and socio-cultural and environmental costs, and at the same time have to balance the host-guest ratio and guard the local resources (Mariani, 2016). The tasks of a DMO are six-fold (1) leadership and coordination, (2) planning and research, (3) product development, (4) marketing and promoting, (5) partnership and teambuilding, and (6) community relations (DCG, 2012; Morrison, 2013). The partnerships in which DMOs engage can be upstream (destination planning), midstream (product development) as well as downstream (destination marketing) (Mariani, 2016).

Tourism firms in general – including DMOs – engage in four types of relationships, based on the level of formality, integration, and structural complexity: Affiliation, coordination, collaboration, and strategic networks (Mariani, 2016). Affiliation is often an informal relationship in which two or more firms are loosely connected due to their similar interests. In coordination, otherwise autonomous firms

pursuit well matched goals by e.g. aligning their activities, sponsoring events, or delivering targeted services. Collaborations tend to be more formal as two or more tourism firms work collectively through common strategies. Finally, strategic networks are the most complex, integrated and formal form of relationships as it encompasses firms involved in a network with a shared vision, which takes a system orientation to achieve their group objectives through consistent strategy and concerted efforts (Wang & Krakover, 2008).

It can be concluded that the tourism industry has accepted that collaboration is increasingly inevitable to remain competitive and successful as a destination (and its associated firms). They have taken their collaborations to a higher level by formalising it in the form of DMOs. DMOs are collaboration entities which represent all involved parties of a certain tourism destination, and have a long-term focus. DMOs act as more or less independent bodies and have several tasks to ensure successful collaboration and economic success of the joint destination.

2.2 Critical Success Factors

In the previous section different organisational relationships in which pre-competitive collaboration or coopetition occurs were identified, as well as the benefits of these collaborations. In this section, it is examined which critical success factors (CSFs) exist for pre-competitive collaboration or coopetition in each of these organisational relationships. First the CSFs of market development collaborations are discussed, followed by the CSFs of joint Research and Development arrangements, University-Industry Collaborations, Public-Private Partnerships, and finally the CSFs regarding pre-competitive collaboration/coopetition in different sectors are identified. All the organisational relationships of the previous section were taken into account for this section as well, as they are all applicable (to some degree) to the Dutch equestrian industry for the following reasons:

1. *Market development collaborations.* Currently the Dutch equestrian industry struggles to improve their business opportunities on China's equestrian market. Pre-competitive collaboration regarding market development strategies can offer solutions (Coviello & Munro, 1995; Senik, Scott-Ladd, Entekin & Adham, 2011).
2. *Joint Research & Development arrangements.* Joint R&D arrangements are currently not present in the Dutch equestrian industry active in China. However, to apply for new exporting protocols for example, Dutch firms will have to cooperate as such an application has to be broadly supported by several (competing) firms (Van der Kruis, 2017). Moreover, in other foreign markets Dutch equestrian firms already collaborate to offer customers a complete service package on e.g. training, feeding advice, stable management, etc. The Holland Horse Foundation (HHF) is an example of a multi-disciplinary collaboration entity (www.HHF.org; Van der Kruis, 2017). Taken both facts together, in combination with the equestrian industry mainly representing SMEs, it suggests that joint R&D arrangements could foster their business opportunities. Specific R&D opportunities are yet to be identified however.
3. *University-Industry Collaborations.* Within the Dutch equestrian industry collaborations with educational institutions have previously occurred. For the Chinese market specifically, a Partners for International Business (PIB) request was filed, in which Hogeschool Van Hall Larenstein, Universiteit Utrecht, and HAS Hogeschool Den Bosch – Lector Bartels participated (Van der Kruis, 2017). Universiteit Utrecht is also a participant of the existing collaboration entity the HHF. It can therefore be said that UICs are applicable to the Dutch equestrian industry in China.
4. *Public-Private Partnerships.* Regarding the applicability of PPPs on the Dutch equestrian industry, it can be said that the relationship between the industry and the Dutch government is slowly getting better. A PPP could be beneficial for both the industry and the government, which seems to be increasingly realised by both parties (Van der Kruis, 2017). Examples are

the issuing of the report “China’s equestrian development challenge: How the Netherlands can help and benefit” by the Dutch Embassy in Beijing, and the PIB request from the industry at the Dutch Embassy in Beijing (Van der Kruis, 2017).

5. *Pre-competitive collaboration and coopetition in sector*

Hotel industry. Friendships among managers of competing hotels are an example of coopetition in practice. Currently, already friendships exist among some owners/managers of Dutch equestrian firms active in China (Van der Kruis, 2017). Literature showed such friendships are a great bases to form (long term) collaboration and to maintain such collaboration. Therefore, lessons can be learned from the hotel industry by the Dutch equestrian industry.

Tourism sector. The research by Van der Kruis (2017) showed that it is critical for the Dutch equestrian industry to collaborate regarding China’s market. They should collaborate to improve the image of the Netherlands as an (superior) equestrian country to increase their business opportunities. This results in the industry offering products and services which are comprised and delivered by different interdependent (i.e. all these individual firms benefit from the collective effort to improve the Dutch image in China) firms. Such a value creation network also exists in the tourism industry. Coopetition is frequently observed in practice within the tourism industry, with success. Due to their similar value chain production processes, the Dutch equestrian industry can learn from the tourism industry on how to successfully implement coopetition in practice.

Below, the CSFs of the different organisational relationships in which pre-competitive collaboration and or coopetition occur are discussed.

2.2.1 Market development collaborations

In section 2.1.1 it was discussed that SMEs often get opportunities for foreign market expansion by receiving unsolicited export orders. To subsequently develop and maintain that foreign market, collaborations can serve as a solution for SMEs. The following section discusses the critical success factors for such a market development collaboration.

Collaborations on internationalisation should be formed on the bases of strong, (already existing) personal relationships, which are more likely to be found in the home country rather than in a foreign market (Harris & Wheeler, 2005; Johnsen & Johnsen, 1999). For such a collaboration to work, firms should adopt a wider perspective in which the focus is moved from competitive advantage of the firm itself towards the competitive advantage of the collective (e.g. collaboration entity) (Bernal et al., 2002; Johnsen & Johnsen, 1999; McKiernan, 1992). Participants involved in a collaboration entity having previous experience with exporting, is a pre for the potential and success of said collaboration. A common way for SMEs to export is through agents or distributors located in the foreign market, as they can help with language and culture barriers in dealing with foreign customers (Johnsen & Johnsen, 1999).

Several critical factors for the success of internationalisation through collaboration were identified. *Trust* is crucial for the success of any collaboration. Without trust, communication barriers arise and the (equal) exchange of information is made more difficult (Bernal et al., 2002; Johnsen & Johnsen, 1999). *Rivalry* has a negative influence on the success of collaborations, whether it is competing for orders or personnel (i.e. recruiting and maintaining skilled employees). *Admitting need for involvement*, which is fairly difficult for some firms. Reluctancy to admit – or failing to recognise – this need for collaboration with (local) competitors impedes the process of structuring the collaboration and the accompanied opportunities (Johnsen & Johnsen, 1999). A *systematic approach* is needed regarding the collaboration, which includes integration of coordination, facilitation, and monitoring (Bernal et al., 2002; Senik et al., 2011).

In conclusion, the analysis above shows that there are several critical factors regarding the success of collaboration within market development, namely: having a bases of strong personal relationships, adopting a wider vision with focus on the collective rather than the individual, previous exporting experience having a positive influence on the success, trust, rivalry having a negative influence on the success of the collaboration, participants should admit their need for collaboration, and a systematic approach.

2.2.2 Joint Research & Development arrangements

Earlier it was found that (pre-competitive) R&D collaborations are increasingly common among SMEs. Different organisational forms of joint R&D arrangements are used, with a research joint venture being the most popular.

In this section the literature regarding the critical success factors for joint R&D arrangements is analysed.

The critical factors influencing the rate of success of joint R&D arrangements can be divided into two categories, the contextual factors and the organisational factors. Contextual factors form the bases through which the relationship between collaborating partners can be established and are identified as: *previous links, reputation, clear definition of objectives, institutionalisation, and geographic proximity*. The organisational factors are needed next in order to maintain the relationship and are identified as: *commitment, communication, trust, conflict, and dependence* (Mora-Valentin, Montoro-Sanchez & Guerras-Martin, 2004). *All collaboration projects should be carefully thought out from beginning to (commercial) end* (Campione, 2003). Furthermore, it is important for firms to *maintain a balance between cooperation and competition* as excessive cooperation can lead to opportunistic behaviour, loss of proprietary technology and inefficiency in the innovation process (Gnyawali & Park, 2011; Wu, 2014).

Another way of categorising the critical success factors, is by area: (1) an extensive contract, (2) selecting the right project, (3) respecting cultural differences, (4) asking for only the intellectual property needed, and (5) knowing what you want. These five areas hold the following (Campione, 2003):

1. *An extensive contract.* Contracts should include: Responsibilities of the participants to provide resources and funding, time span of the collaboration, confidentiality and exclusivity parameters, how the collaboration will be managed (i.e. setting up steering committee, leaders of both sides appointed, schedule regular meetings, and joint decision making), deciding on criteria to measure success, licenses and rights to be granted with royalty provisions, provisions for arbitration in the event of disagreements, defining ownership of intellectual property, and provisions on how patents from the collaboration will be prosecuted and enforced, the rate of diligence of all participants, and the termination rights and obligations including return of confidential information, survival terms and other standard items.
2. *Selecting the right project.* Both business and managers should be involved and committed to the success of the collaboration project, as it is a synergistic combination of R&D and business management rather only one of them. The high costs of research require quantification and analysis of the overall cons (costs and risks) against different return scenarios.
3. *Respecting cultural differences.* It is important for all participants to understand and respect each other's situation, organisational 'style' and business culture in order to maintain a successful relationship.
4. *Asking only for the intellectual property needed.* Conflicts can be prevented by assigning each participant to a specific area of interest, and divide the materials and intellectual property rights accordingly.
5. *Knowing what you want.* Participants of the collaboration should all do preparatory work and know the market and understand the criteria for success. If a participant does not know what

exactly they are looking to achieve from the collaboration, (partly) failure and waste of money, time and efforts is almost inevitable.

From the above it can be concluded that the CSFs regarding joint R&D arrangements can be divided in categories. Either in contextual (*previous links, reputation, clear definition of objectives, institutionalisation and geographic proximity*) and organisational factors (*commitment, communication, trust, conflict, and dependence*), or by area which are an extensive contract, selecting the right project, respecting cultural differences, asking for only the intellectual property needed, and knowing what you want. Whichever categorisation is chosen, it is stated that *the entire collaboration process should be thought out, and a balance between cooperation and competition should be maintained*.

2.2.3 University-Industry Collaborations

In section 2.1.3 it was identified that UICs are becoming apparent in an increasing rate for various reasons, and that knowledge transfer is central in such collaborations. The most commonly used forms of UICs were found to be joint ventures, networks, consortia, and alliances. Next, the key factors that influence the success or failure of an UIC are identified.

The success of a collaboration depends on a complex set of factors and the cumulative result of negative and positive impacts from those factors. Therefore, it cannot be said that a single factor is always causing a success or failure (based on how well the factor is managed) of collaborations (Ankrah & AL-Tabbaa, 2015; Barnes, Pashby & Gibbons, 2002; Mora-Valentin et al., 2004). However, when certain factors are often identified to (partly) influence the performance of a collaboration, emphasis should be given on well-managing those factors in UICs. The commonly influencing factors can be divided in several different themes. One theme is choice of partner, with *complementary aims, complementary expertise, collaborative experience of partners*, and the *negative impacts of hidden agendas* being the main critical factors influencing the rate of success of UICs. Another theme is universal factors, which contains *commitment, trust among partners, continuity of personnel* (with special emphasis on the project manager), and *corporate stability* as the main factors (Barnes et al., 2002). The theme project management accounts for the biggest number of critical factors, with *clearly defined objectives, the need for good project monitoring, good project planning, and effective communication* being identified as most important. UICs are a specific type of collaboration, which yield their own specific critical factors. These factors result from the cultural differences between universities and industries and are therefore grouped in the theme cultural issues. This theme holds as main factors *agreeing on priorities and timescales, managing the perceptions and issues on both sides regarding academic right to publish*, and the *student agenda* (in case student researchers are involved in the UIC) (Barnes et al., 2002).

The critical success factors of UIC specifically can also be categorised differently, namely in the following seven categories, with the category 'management and organisational issues' being most important and accounting for 45% of the total factors (Ankrah & AL-Tabbaa, 2015; Siegel, Waldman & Link, 2003):

1. Capacity and resources. E.g. *Adequate resources, incentive structures for university researchers, recruitment and training of technology transfer staff, and capacity of SMEs*.
2. Legal issues and contractual mechanisms. E.g. *Inflexible university policies* (patents, intellectual property rights) and *treatment of confidential and proprietary information*.
3. Management and organisational issues. E.g. *Leadership/top management commitment and support, teamwork and flexibility to adapt, communication, mutual trust and commitment, project management, human capital mobility/personnel exchange, and corporate stability*.
4. Issues relating to the technology. E.g. *Nature of technology/knowledge to be transferred* (tacit or explicit, and academic rigor or industrial relevance).
5. Political issues. E.g. *Policy, legislation, and regulation to guide, support and encourage UIC*.

6. Social issues. E.g. *Enhancement in reputation/prestige*.
7. Other issues. E.g. *Low level of awareness of university research capabilities, use of intermediary, risk of research, cross-sector differences or similarities, and geographic proximity*.

In a nutshell, the CSFs of UICs can be categorised in different themes: choice of partner (*complementary aims, complementary expertise, collaborative experience of partners, and hidden agenda's having a negative impact*), universal factors (*commitment, trust, continuity of personnel, and corporate stability*), project management (*clearly defined objectives, the need for good project monitoring, good project planning, and effective communication*), and cultural issues (*agreeing on priorities and timescales, managing perceptions and issues regarding academic right to publish, and the student agenda*). Another way of categorising the CSFs of UICs are by capacity and resources (e.g. *adequate resources and capacity of SMEs*), legal issues and contractual mechanisms (e.g. *inflexible university policies*), management and organisational issues (e.g. *teamwork and flexibility, communication, and trust*), issues relating to the technology (e.g. *academic rigor or industrial relevance*), political issues (e.g. *legislation and policy*), social issues (e.g. *enhancement in reputation*), and other issues (e.g. *geographic proximity and lack of awareness of capabilities*).

2.2.4 Public-Private Partnerships

In section 2.1.4 it was stated that PPPs offer solutions to industry wide problems. Main benefits of PPPs are providing regulation, guidance, and operating as an (objective) third party. In this section the critical factors influencing the success of PPPs will be examined.

Pre-competitive collaboration is increasingly common in drug development. For this specific industry, eight models of pre-competitive collaboration were established (Altshuler et al., 2010): (1) open-source initiative, (2) industry consortia for R&D process innovation, (3) discovery-enabling consortia, (4) public-private consortia for knowledge creation, (5) prizes, (6) innovation incubators/insourcing, (7) industry complementor relationships, and (8) virtual pharma companies. Regardless which of these models is chosen, their perceived success depends on several factors. Namely the *willingness of participants to actually share their resources* such as R&D capabilities and proprietary information with their competitors, *a clear document containing the participants' goals and active project management, a sufficient level of trust between participants* (be it with or without a mediating third party), and the *structural obstacles* (e.g. unrealistic and conflicting expectations) *need to be addressed* (Altshuler et al., 2010; Munos & Chin, 2009; Wagner et al., 2010).

Partnering (such as in a PPP) can lead to improved relationships and communication among participants (Chan, Chan & Ho, 2003). *Sound relationships* are crucial for the success of PPPs as poor relationships easily lead to misunderstanding and conflict (Tang, Shen & Cheng, 2010). Ways to successfully maintain good relationships among participants of PPPs are *effective management of political risks, foreign exchange and revenue risks* (Tang et al., 2010). Other critical success factors of a PPP are a *favourable investment environment, economic viability, reliable concessionaire consortium with strong technical strength, sound financial package, and appropriate risk allocation via reliable contractual arrangements* (Zhang, 2004; Zhang, 2005).

The five most reported – and therefore most important – critical success factors of PPPs in the literature from 1990 to 2013 are: *risk allocation and sharing, strong private consortium, political support, community/public support, and transparent procurement* (Osei-Kyei & Chan, 2015).

- *Risk allocation and sharing*. Identifying risks and sharing it appropriately among both public and private participants (Ke, Wang & Chan, 2010). This is done during negotiations where risks are clearly defined and allocated to the participant which is best capable of dealing with each risk (Roumboutsos & Anagnostopoulos, 2008). In order to ensure future involvement of private parties in PPPs it is important for governments not to allocate all project risks to the private

sector. Especially when those risks go beyond the control of the private partners involved (Osei-Kyei & Chan, 2015).

- *Strong private consortium.* PPPs are often complex projects which are difficult for a single firm to undertake. Therefore, often consortia are formed in which several firms come together. The compatibility of firms involved, and the structure of the consortium (partly) influences the success of the PPP. Consortia should thus ensure a strong technical, operational and managerial capacity to be able to successfully engage in a PPP (Osei-Kyei & Chan, 2015; Zhang, 2005). When a local firm's structure is not sufficient to undertake a PPP (e.g. in developing countries) governments can financially and technically assist such a firm in order to strengthen it so it gains the capacity to compete with international project companies for PPP projects (Osei-Kyei & Chan, 2015).
- *Political support.* Since a PPP is a public policy, it has direct connections with the political setting of the host country (Li et al., 2005). Political support is necessary for the public expenditure linked to the activities of a PPP to be approved (Jacobson & Ok, 2008). Political support also attracts more investors (Osei-Kyei & Chan, 2015).
- *Community/public support.* Support from the public community (i.e. media, trade unions, and civil societies) is essential for a PPP as it helps minimizing any sort of delays and reduces costs of production. In order to gain such support it is important to create awareness, provide information, and assure the public community of good and quality services and reasonable end user fees if applicable (OECD, 2010; Yong, 2010).
- *Transparent procurement.* PPPs are procurement processes and there is a need for transparency of such processes. Not only during the tendering process, but throughout the duration of the entire PPP project (Osei-Kyei & Chan, 2015). Participants hold responsibility for this transparency and should communicate well among each other and external stakeholders. They should openly consult each other for clarification of any project objectives, and information and reports regarding the PPP should be publicly available for external stakeholders or users (Li et al., 2005; Osei-Kyei & Chan, 2015). As a negative attitude of the public towards a PPP project could negatively influence the success of it, it is especially important for governments to clear any doubts or rumours of the public community regarding the outcomes of a PPP.

Concluding it can be said that PPPs have the following CSFs: *willingness to share resources, clear documentation of goals of the collaboration and active project management, trust, addressing structural obstacles, sound relationships, maintaining good relationships* (by effective management of political risks, foreign exchange, and revenue risks), *favourable investment environment, economic viability, reliable concessionaire consortium, risk allocation and sharing, strong private consortium, political support, community/public support, and transparent procurement.*

2.2.5 Pre-competitive collaboration and cooptition in sector

2.2.5.2 Hotel industry

Coopetitions are often seen in the hotel industry as was examined previously in section 2.1.5.1. Friendships among competing managers hold benefits in the form of collaboration, mitigation of competition, and improved information exchange. This section will analyse the critical success factors of such coopetition.

For friendships with competing managers to work, the incentive to develop such friendships should be genuine. Trying to form and maintain friendships merely for the material benefits and economical gains will lead to failure in gaining trust of other managers, their empathy and reciprocity in the relationship. This would result in obtaining neither sentimental nor instrumental benefits (Ingram & Roberts, 2000). The amount of information shared is maximised in non-redundant networks; the amount of relationships a manager can maintain is limited, so the information sharing is maximised when his or

her befriended competing managers are not connected themselves. Unique information is obtained from non-redundant networks, while cohesive relations generate redundant information (Ingram & Roberts, 2000). In both cases the obtained information should be viewed with caution, as the risk of misleading information is always apparent. This risk is lowered however, when the information comes from a befriended manager. Concerning the veracity of information, cohesive networks are favoured as they enable the possibility to check the reliability of the received information. In the end it is better to act in cohesive networks rather than non-redundant networks (Ingram & Roberts, 2000).

From this analysis it can be concluded that friendships among competitors are beneficial, but only when *the incentive to develop such a friendship is genuine*. Otherwise managers will fail to gain trust and empathy of competitors, and therewith fail to gain reciprocity in the relationship. Furthermore, *it is best to establish cohesive networks of friends among competitors*, as such networks allow for information to be checked on reliability.

2.2.5.2 Tourism industry

Section 2.1.5.2 showed that coopetition is omnipresent in the tourism industry. Highly interdependent involved participants collaborate in the form of a value creation network to collectively improve their destination and its business opportunities. These networks are often guided by a DMO. Next, the literature on the factors which are critical for the success of coopetition in the tourism industry is analysed.

To increase the rate of success, contracts are typically used within coopetitions to determine how obtained revenues should be shared, how the ownership should be managed and controlled, and how joint activities should be carried out (Hart & Moore, 2008). Within the tourism industry this is different however, as formal contractual specifications are reduced and contracts are replaced by relational capabilities and trust (Adler, 2001; Mariani, 2016; Nystén-Haarala, Lee & Lehto, 2010). Contracts are not necessary to govern and manage coopetitive interactions among tourism destination networks for the following reasons: (1) Value creation of destination networks happens through informal arrangements and coordination mechanisms, and proper value appropriation is therefore very difficult to establish due to the complex nature of these networks. Tourism destinations have no interest in value appropriation, but simply concern about letting the pie grow for all stakeholders involved. Thus, there is no need to put unnecessary emphasis on the competitive part of the coopetition by the formalisation of a contract (Mariani, 2016), (2) Regarding ownership management and controlling joint activities, it is found that informal coordination mechanisms (e.g. social ties and trust) and more formal coordination mechanisms (e.g. plans and rules) are best suited to effectively deal with coopetitive interactions, the associated tensions, to create a shared understanding, and to face a turbulent environment (Mariani, 2016). Instead of using contracts, the tourism industry uses coordination mechanisms with varying degrees of formalisation (i.e. social ties, trust, roles, plans, rules and physical proximity) to determine how joint activities will be carried out (Mariani, 2016).

In conclusion, in the tourism industry *the use of strict and formal contracts is abolished* as opposed to common practice in coopetitions. Instead, *the tourism industry relies on trust, social ties and relational capabilities*. However, *some formal coordination mechanisms* (e.g. plans and rules) *are used* in order to create shared understanding and to face a turbulent environment.

2.3 Theoretical framework

2.3.1 Overview CSFs

The focus of this study is to analyse how successful pre-competitive collaboration can be attained by the Dutch equestrian industry active or interested in China. The literature review showed that in order to establish successful pre-competitive collaboration or coopetition many critical success factors should be addressed. The review showed that these CSFs can be categorised in many different ways, and different CSFs hold for different organisational relationships in which pre-competitive collaboration or coopetition occurs. An overview of all CSFs found in the literature review is given in figure 3.

(1) Market development collaborations	(2) Joint R&D arrangements	(3) UICs	(4) PPPs	(5) Hotel industry	(6) Tourism industry
<ul style="list-style-type: none"> • CSFs <ul style="list-style-type: none"> • Strong personal relationships • Wider vision • + previous export experience • - Rivalry • Admit need for collaboration • Systematic approach • Roles <ul style="list-style-type: none"> • Information exchange • Generate orders • Learning environment • Reduce risk 	<ul style="list-style-type: none"> • Whole process thought out • Balance between cooperation and competition • Contextual factors <ul style="list-style-type: none"> • Previous links • Reputation • Definition of objectives • Institutionalisation • Geographic proximity • Organisational factors <ul style="list-style-type: none"> • Commitment • Communication • Trust • Conflict • Dependence • Areas <ul style="list-style-type: none"> • Extensive contract • Select right project • Respect cultural differences • Ask only needed IP • Knowing what you want 	<ul style="list-style-type: none"> • Choice of partner <ul style="list-style-type: none"> • Complementary aims • Complementary expertise • Collaborative experience • - Hidden agenda's • Universal factors <ul style="list-style-type: none"> • Commitment • Trust • Continuity of personnel • Corporate stability • Project management <ul style="list-style-type: none"> • Definition of objectives • Project monitoring • Project planning • Communication • Cultural issues <ul style="list-style-type: none"> • Agree on priorities and timescales • Manage issues regarding right to publish • Student agenda's • Capacity and resources • Legal issues and contractual mechanisms • Management and organisation issues • Technology issues • Political issues • Social issues • Other issues 	<ul style="list-style-type: none"> • Willingness to share resources • Clear documentation of goals and project management • Trust • Addressing structural obstacles • Good relationships • Maintaining good relationships • Favourable investment environment • Economic viability • Reliable concessionaire consortium • Risk allocation and sharing • Strong private consortium • Political support • Community/Public support • Transparent procurement 	<ul style="list-style-type: none"> • Genuine incentive for friendship • Otherwise no <ul style="list-style-type: none"> • Trust • Empathy • Reciprocity • Cohesive network 	<ul style="list-style-type: none"> • CSFs <ul style="list-style-type: none"> • Trust • Social ties • Relational capabilities • Formal coordination mechanisms • DMO roles <ul style="list-style-type: none"> • Leadership role • Broker and pivotal role • Preventing power asymmetry • Aligning strategic thinking • Increasing maturity of network management • Increasing maturity and distance of the marketing approach • Cherish past experience working together • Utilising cultural, functional and organisational similarities

Figure 3 CSFs categorised by relationship types in which pre-competitive collaboration/coopetition occurs

As mentioned before in section 2.2.3, the success of a pre-competitive collaboration/coopetition depends on a complex set of factors and the cumulative result of negative and positive impacts from those factors. Therefore, it cannot be said that a single factor is always causing a success or failure of collaborations. However, analysing all the CSFs found in the literature review, the most common and

therefore most generally influencing factors could be identified which will be taken into account in the current research and the following sections. For the current research all CSFs found were compared and re-divided into four categories: (1) choice of partner, (2) generic factors, (3) project management, and (4) cultural issues. These categories correspond to one of the categorisations of CSFs in UICs (see figure 3) and were found to be best describing and grasping the different categories of CSFs by the author. However, the CSFs found to be relevant for other organisational relationships which are not taken into account for UICs, are included in the categorisation of the current research. How this redivision has been done can be found in figure 4, which shows which CSFs of the different organisational relationships (figure 3) were allocated to which 'new' category, and which organisational relationship they originated from (the number in brackets after the CSFs in figure 4 correspond to the organisational relationships of figure 3).

Choice of partner	Generic factors	Project management	Cultural issues
<ul style="list-style-type: none"> • Previous links <ul style="list-style-type: none"> • Strong personal relationships (1) • + previous export experience (1) • Previous links (2) • Collaborative experience (3) • Good relationships (4) • Social ties (6) • Reputation <ul style="list-style-type: none"> • Reputation (2) • - Hidden agenda's (3) • Compatibility <ul style="list-style-type: none"> • Complementary expertise (3) • Capacity and resources (3) • Wider perspective <ul style="list-style-type: none"> • Wider vision (1) • Willingness to share resources (4) • Complementary aims <ul style="list-style-type: none"> • - Rivalry (1) • Complementary aims (4) 	<ul style="list-style-type: none"> • Commitment <ul style="list-style-type: none"> • Admit need for collaboration (1) • Commitment (2,3) • Management and organisational issues (3) • Willingness to share resources (4) • Genuine incentive (5) • Relational capabilities (5) • Trust <ul style="list-style-type: none"> • Trust (2,3,4,5,6) • Trust (3) • Management and organisational issues (3) • Continuity of personnel <ul style="list-style-type: none"> • Continuity of personnel (3) • Capacity and resources (3) • Management and organisational issues (3) • Communication <ul style="list-style-type: none"> • Communication (2,3) • Management and organisation issues (3) • Cohesive network (5) • Relational capabilities (6) 	<ul style="list-style-type: none"> • Clearly defined objectives and goals <ul style="list-style-type: none"> • Definition of objectives (2) • Knowing what you want (2) • Definition of objectives (3) • Clear documentation of goals (4) • Project monitoring <ul style="list-style-type: none"> • Systematic approach (1) • Whole process thought out (2) • Institutionalisation (2) • Conflict (2) • Dependence (2) • Extensive contract (2) • Project monitoring (3) • Manage issues regarding right to publish (3) • Capacity and resources (3) • Legal issues and contractual mechanisms (3) • Management and organisational issues (3) • Clear documentation of project management (4) • Addressing structural obstacles (4) • Risk allocation and sharing (4) • Formal coordination mechanisms (6) • Project planning <ul style="list-style-type: none"> • Systematic approach (1) • Whole process thought out (2) • Institutionalisation (2) • Extensive contract (2) • Project planning (3) • Capacity and resources (3) • Management and organisational issues (3) • Clear documentation of project management (4) • Addressing structural obstacles (4) • Formal coordination mechanisms (6) 	<ul style="list-style-type: none"> • Respecting cultural differences <ul style="list-style-type: none"> • Conflict (2) • Respect cultural differences (2) • Legal issues and contractual mechanisms (3) • Technology issues (3) • Maintaining good relationships (4) • Agreeing on priorities and timescales <ul style="list-style-type: none"> • Agree on priorities and timescales (3) • Student agenda's (3) • Addressing structural obstacles (4)

Figure 4 Re-divided CSFs based on the CSFs mentioned and categorised 1-6 in figure 3

Based on the literature review and the two figures above, the theoretical framework (figure 5) was established. This framework represents the concepts used in the current research and is elaborated in the next section.

2.3.2 Theoretical framework

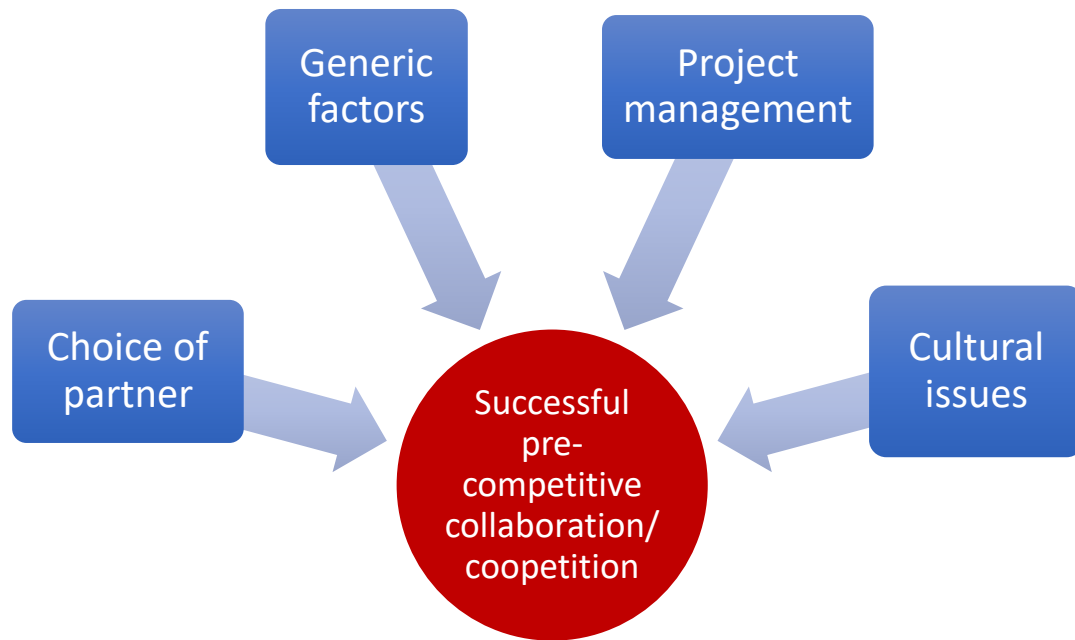


Figure 5 Theoretical framework

In order to achieve successful pre-competitive collaboration/coopetition, the participating firms and organisations must adhere to several critical success factors (CSFs). These CSFs are identified by the literature review of the current research and can be categorised in four categories: (1) choice of partner, (2) generic factors, (3) project management, and (4) cultural issues. These four categories and associated factors are discussed below. The empirical part of this paper regards researching whether these CSFs are currently present among the Dutch equestrian industry active on China's market, and whether they are willing to adhere to these CSFs.

Choice of partner

Choosing the right partner for collaboration is an important and delicate process. The right partner can increase a firm's business opportunities by offering complementary resources and knowledge (Emden, Calantone & Droge, 2006). Strong (already existing) personal relationships with partners form the best bases for a successful collaboration (Harris & Wheeler, 2005; Johnsen & Johnsen, 1999).

The identified CSFs regarding choice of partner are *previous links* (i.e. previous collaborations or friendships), *reputation* (i.e. a bad reputation of a firm in general diminishes its chances of finding a partner willing to collaborate, while a reputation as a good collaboration partner creates opportunities), *compatibility* (i.e. firms having complementary resources, knowledge, and business cultures makes them more suitable partners), *wider perspective* (i.e. firms should shift their focus from opportunities for the firm, to opportunities for the collective as this benefits all individual firms involved in the pre-competitive collaboration/coopetition), and finally *complementary aims* (i.e. having complementary aims eases the collaboration process e.g. when establishing goals).

Generic factors

The generic factors are the CSFs that are particularly important for maintaining good relationships throughout the pre-competitive collaboration/coopetition process. When relationships are ill

managed, opportunistic behaviour lurks which negatively influences the success of a collaboration (Gnyawali & Park, 2011; Wu, 2014).

The identified generic CSFs are *trust* (arguably the most important generic factor, as trust enables the sharing of (proprietary) knowledge), *commitment* (i.e. the level of commitment should increase proportionally with the growth of the collaborative goals, and resources and technologies should proportionally be allocated among the participants), *continuity of personnel* (especially the role of project manager should remain fulfilled, be it by another person), and *communication* (i.e. communication is essential for the collaboration to be efficient and flexible, and transparent communication increases trust).

Project management

Project management is indicated to be the most prominent category of CSFs. A systematic approach regarding a pre-competitive collaboration/coopetition is crucial, and an extensive contract should be established.

This contract should contain all project management related CSFs: *clearly defined objectives and goals* (which all participants have agreed on), *project monitoring* (i.e. establishing success measurement criteria, responsibilities of participants regarding providing resources and funding, allocation and sharing of risk, appointing personnel in each firm responsible with the collaboration/coopetition project, termination rights and obligations of participants, in case patents are collected how will this be prosecuted and enforced, etc.), and *project planning* (i.e. defining time span of single objectives and the pre-competitive collaboration/coopetition project as a whole, establishing clear divisions of tasks of participants, deciding on effective communication methods, etc.).

Cultural issues

The category cultural issues regards the CSFs that result from each firm being different and having its own organisational structure, size, company culture, etc. These differences are especially present in case of an UIC or PPP.

Respecting cultural differences is indicated to be a CSF as it reduces conflicts which improves the efficiency of a collaboration, and *agreeing on priorities and timescales* (i.e. due to organisational differences these may vary greatly, and alignment is necessary for an efficient and successful pre-competitive collaboration/coopetition) is also indicated as a main CSF in this category.

3 Methodology

In this chapter the methods that were used in the entire research process are discussed and explained.

3.1 Methods of data collection

3.1.1 Research framework

Figure 6 displays the research framework. A research framework is a visualisation of the entire research process. It explains step by step in which order the research is conducted (Kumar, 2011).

The research framework of the current paper exist of five phases: (1) Theoretical phase; where the literature review is conducted and sub-questions one and two are answered, (2) Empirical phase; where the literature review is followed by establishing the theoretical framework which then leads to establishing the interview questions and conducting the interviews, (3) Analysis phase; where the interviews are analysed and sub-questions three is answered, (4) Conclusion phase; where the main research question is answered by combining all the results of the research process. This is then followed by the recommendations which are given (according to the conclusion of the current research) to the Dutch equestrian firms and organisations that are active on or interested in China's equestrian market.

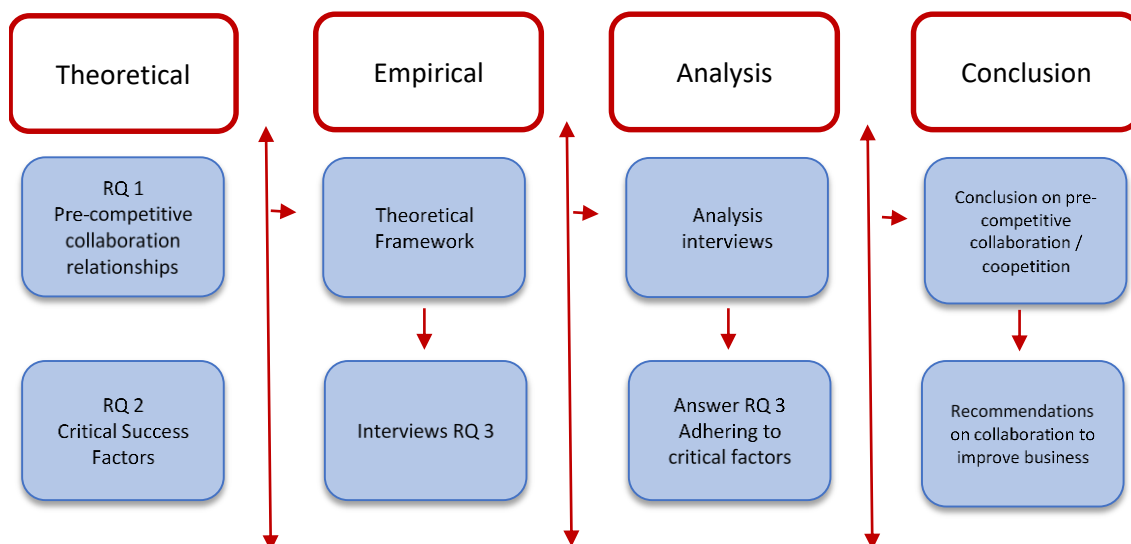


Figure 6 Research framework

3.1.2 Secondary data collection

In the theoretical phase of the research secondary data collection is used. The data collection holds a desk study and thus a literature review is conducted. First the literature on pre-competitive collaboration and coopetition and the different organisational relationships in which they occur were reviewed. Mainly the databases Scopus and Web of Science were used. Then it was examined which organisational relationship(s) can be applied to the Dutch equestrian industry active on China's market, followed by determining their associated critical success factors that influence the success of such pre-competitive collaboration/coopetition.

After finalising the literature review, the results were used to establish the theoretical framework, and later on to compare with the results of the interviews in the discussion of this paper (Kumar, 2011).

3.1.3 Primary data collection

As an addition to the above-mentioned secondary data collection, primary data collection is used. The reason for this is to gain more in-depth information and insight in to which extend the Dutch equestrian industry is able and willing to adhere to the critical factors influencing the success of pre-competitive collaboration. As can be seen in figure 6 the primary data collection takes place during the empirical phase of the research, and is used to answer sub-question 3. The data collection starts after finishing the secondary data collection and consists of semi-structured interviews which are conducted over the phone. The interviews are transcribed, and these transcriptions are analysed by using open and axial coding in order to answer sub-question 3.

3.1.3.1 Sampling

The research set consists of six Dutch equestrian firms, all SMEs, which are active on and or interested in specifically China's equestrian market. Initially, fifteen firms and organisations were approached by e-mail for participation. Due to different reasons (i.e. switches in board members, increased tensions, horse inspection season) not all of them agreed to the request. After several phone calls, six firms were found willing to participate. The question when a sample size is sufficient has been researched extensively. When in-depth interviews are used – as is the case in the current research – a sample of 5 to 50 participants is sufficient (Dworkin, 2012). Guest, Bunce and Johnson (2006) state that the minimum number of respondents should be six. The sample size of the current research is thus sufficient, but it is the bare minimum. However, to partially account for the small sample size, the six respondents are chosen to represent different segments of the equestrian industry. This reduces the risk of sample bias, and maximises inclusion of contrasting views (Yin, 2011). In order to enhance the willingness to participate, the anonymity of the participants is guaranteed (Boeije, 't Hart & Hox, 2009). Therefore, the respondents are referred to with a number rather than the firm name.

3.1.3.2 Interviews

Semi-structured, topic interviews are used to answer sub-question 3. All interviews are conducted over the telephone, are recorded, and done in Dutch. These recordings are only used to transcribe the interviews and are not distributed to third parties. Besides the recording, notes are taken during the interviews. These notes serve as a bases for the transcriptions, as well as a back-up in case something goes wrong with the recording. The transcriptions are used to analyse the interviews and are processed anonymously.

Before starting the interview, a brief introduction is given to the participants. This introduction holds the purpose of the study, the time it will approximately take and informs them about the anonymity of their given answers. Hereafter the respondents are asked for their permission to record the interview, after which the interview starts.

The interviews consist of different sub-topics and are therefore called topic-interviews (Boeije et al., 2009). The topics were chosen according to the theoretical framework. They are: 1) choice of partner, 2) generic factors, 3) project management, and 4) cultural issues. For each sub-topic specific questions are drafted (see table 1) which are asked in a fixed and thought out sequence. This sequence is established while kept in mind that answers to certain questions could influence the answers of other questions (Emans, 2004). Almost all questions asked are open-ended and formulated in such a manner to reduce framing. For the rating question a seven-point Likert scale of importance is used.

Table 1 Sub-topics of interviews with associated questions

Sub-topic	Questions
Choice of partner	3-4
Generic factors	5-11
Project management	12-17
Cultural issues	18-19

In sub-topic 1) choice of partner questions are asked regarding which factors are of importance for the participants when choosing a partner. Later on, it will be analysed whether these factors match the CSFs found in this paper. Sub-topic 2) generic factors regards questions on the CSFs *commitment*, *trust*, *continuity of personnel*, and *communication*. Respondents are asked how they would define these

factors and how important these factors are for them. Sub-topic 3) project management holds similar questions to sub-topic 2, only the CSFs in this category are *clearly defined goals and objectives*, *project monitoring*, and *project planning*. Rather than asking the respondents for their definition of these factors, the definitions are given by the interviewer. Respondents are then asked to score these factors on rate of importance for the success of a collaboration. Follow-up questions are to which extend respondents think it is important to include these factors in a formal contract. Finally, sub-topic 4) cultural issues holds questions on the CSFs *respecting cultural differences* and *agreeing on priorities and timescales*. Respondents are asked to rate the importance of both factors for the success of a collaboration.

3.1.3.3 Data analysis

All interviews are conducted in the same matter and recorded. The recordings of the semi-structured interviews are transcribed. These transcripts were subsequently analysed using coding. This process starts by identifying the main themes (Verhoeven, 2011). The questions were already divided in main themes, in this case the different categories of CSFs found in the theoretical framework (see table 2). Therefore, the answers were automatically also already organised by main theme. The next step is to assign codes to these main themes, which is called open coding (Verhoeven, 2011). This is followed by axial coding. Axial coding is finding links between the fractions found in the open coding, grouping them and creating new, more detailed codes, axial codes (Verhoeven, 2011). These axial codes were analysed thoroughly and used to find patterns in the results in order to answer sub-question 3. The axial codes used can be found in section 4.

4 Results

In this section the results of the interviews are discussed. These results were obtained after open and axial coding of the interview transcripts. First the results are discussed based on the axial codes of the answers given to the interview questions. Hereafter the results are discussed based on the axial codes regarding the four categories of CSFs found in the theoretical framework (section 2.3.2.). Sometimes also quotes of respondents are mentioned, which are open codes.

A summary of the results per respondent can be found in appendix 3.

4.1 Answers of interviews

The coded results of the interviews are discussed below in the same sequence as the interview questions.

4.1.1 Introduction

Q1. Necessary for successful collaboration

Several different answers were given by the respondents when asked what they deemed necessary for a collaboration to be successful. Three respondents indicated it is *important for them to be able to rely on their collaboration partners*, “That their partners do as they say and say as they do”. *Unity among partners* and *being like-minded* was mentioned four times. Two respondents clearly indicated that *having a common interest* is a necessity for successful collaboration. *Having sound agreements* and *jointly setting goals* was mentioned three times by respondents. All these answers link to the factors *trust* and *communication*, but both factors were only mentioned once.

Two unique answers were *collaboration partners must be doing business in the same category*, and *the need to benefit from the collaboration businesswise*.

Q2. Current climate of collaboration

This question has led to quite elaborate answers. These answers made clear that currently the climate of collaboration is difficult and troublesome. Two respondents indicated that *the interest in collaboration among Dutch equestrian companies on China’s market currently has faded away after an enthusiastic start*. Multiple statements were given as to why the interest has faded. First of all, five respondents indicated that *China’s market is difficult to enter in general*. Furthermore, four statements were given regarding *the lack of unity and being like-minded*, “currently it seems to be each for themselves”. One respondent specifically indicated that *firms do not understand the common interest*. *Distrust* was mentioned four times, “firms fear to lose business to others and therefore are not willing to share their knowledge”. Another difficulty is *firms not letting anyone have anything*, which was mentioned three times). Also, there seems to be *a lack of commitment* according to four respondents. Finally, it was stated by two respondents that *currently the equestrian industry lacks a driving force regarding collaboration*.

4.1.2 Choice of partner

Q3. Choosing a partner on which factors

The respondents base their choice of partner on varying factors. It was mentioned four times that partners are chosen *based on their level of knowledge and quality*. *Trustworthiness* was indicated to be an important factor by two respondents. *Having a good reputation* was specifically mentioned by one respondent. *Commitment* and *enthusiasm* were also mentioned once. Furthermore, the *readiness to invest* was mentioned twice as being an important factor. *Having a broader vision* (not thinking just individually, but also as a team), and *having realistic and serious plans* were both mentioned once by respondents.

Q4. Currently Dutch partners regarding China

All six respondents clearly indicated that currently they *do not have any Dutch partner for the Chinese equestrian market*. Two respondents indicated that this is (partly) due to *lack of a legal protocol* to import their products in China. It was mentioned by three respondents that *in their past they did have Dutch collaboration partners*. These collaborations have faded, however.

Q5. Possible future collaboration forms

All five respondents who gave their view on possible future collaboration forms gave unique answers. One respondent stated that it would prefer *better collaboration with the government in order to stimulate improvements on veterinary conditions*. Another indicated that *an industry-wide collective cooperation would be ideal, which functions as a central source of information for Chinese who want to gain information regarding any sector of the equestrian industry*. It was also mentioned that *a collective marketing initiative could be beneficial, if the participants consist of firms active in the top of the equestrian industry*. Furthermore, this collective *could exist of multiple partners, but not more as 10* according to this respondent. One respondent stated they would ideally prefer *a collaboration partner which business is in and around the stables, like a supplier of stable floorings, a veterinarian or a stable construction company*. This respondent mentioned one prerequisite however, *first a solid, realistic plan and strategy should be established based on the market conditions and potential*. Finally, it was indicated by one respondent that they ideally would *collaborate with an intermediary fully focused on the Chinese market and with sufficient knowledge of that specific market*.

4.1.3 Generic factors

Q6. Definitions of commitment within a collaboration

Various responses were given to this question. Four respondents indicated that commitment for them meant *to invest sufficient time in the collaboration*. The *importance of equivalence among the partners regarding the amount of effort invested* was mentioned by two respondents. Other – unique – answers were *promoting the product and vouching for it, being willing to go for the long-term, invest sufficient money, honouring existing commitments, exchange ideas and search for potential opportunities*. Finally, the overarching answer of one respondent was *doing whatever it takes*.

Q7. Score of importance of commitment

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	0	2	0	4	6,33

“Especially in those foreign markets it is very important to be committed”.

Q8. Definitions of trust within a collaboration

According to five respondents trust can be best defined as *being able to rely on each other*. Partners should act as they say and say as they do. Related to this is that trust means *not having hidden agendas*, which was mentioned by one respondent. For another respondent trust is more *a matter of anticipation*.

Q9. Score of importance of trust

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	0	1	0	5	6,67

“You need to be able to trust each other blindly. If you have to give it a thought in those kinds of markets you will always be too late”.

Q10. Definitions of communication within a collaboration

Two respondents stated that communication within a collaboration for them means *honestly and clearly telling what is going on, without hidden agendas*. Another given definition was *constructive two-way communication*. *Being reachable* was indicated by one respondent as a definition of

communication. Other definitions given were *having good contact, so you know what is going on, and having a solid plan and executing that together step by step*.

Q11. Score of importance of communication

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	0	1	1	4	6,5

“The most important thing is to understand each other and prevent miscommunication, no matter what way of communication is used”.

Q12. Score of importance of always having contact with same person

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	3	1	2	0	0	3,83

“It does not really matter who you are speaking to, as long as the communication within the firm is sound and clear. What matters is what is being said in name of the firm, not by whom”.

4.1.4 Project management

Q13. Score of importance of having clearly defined goals and objectives

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	0	1	2	3	6,33

“This is very important and must be established together with all collaboration partners as you share a common interest”.

Q14. Rate of importance to specify these goals and objectives in a formal contract

The respondents are divided regarding this question. Three of them stated that they found it extremely important to specify this in a formal contract as it *avoids discussion and partners can be held responsible if they do not honour their agreements*. Another respondent finds this of moderate importance, although this person indicated that it *is only necessary to globally specify the goals and objectives in the contract*. It was also mentioned once that the respondent deems this as only slightly important but sees it as *a point of improvement* as they have had some problems with this in the past. Finally, one answer indicated that *you can specify things in a contract, but if they do not honour their agreements there is nothing you can do about it*.

Q15. Score of importance of having project monitoring

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	1	1	2	2	5,83

“When you decide to collaborate it is quite important to be clear about your plans and responsibilities, and hold each other accountable for it”.

Q16. Rate of importance to specify such project monitoring in a formal contract

Taken together, respondents are neutral regarding the importance of specifying project monitoring in a formal contract. Although two respondents state they think it is *extremely important* to also specify the project monitoring in a formal contract, three others regard this as only *slightly important*. One respondent indicated that they as a firm *like to have such agreements put in writing, but only the general outline needs to be in a formal contract. The details can be discussed over e-mail for example*. One of the respondent that indicated the formal contract to be very important said they had *learned this lesson from the past*.

Q17. Score of importance of having project planning

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	2	1	2	1	5,33

“This is relatively important, but it can always happen changes are necessary due to reality”.

Q18. Rate of importance to specify such project planning in a formal contract

Specifying project monitoring in a formal contract is less important for the respondents than having project planning. All answers taken together indicated a neutral rate of importance on specifying project planning in a formal contract. One respondent deems this *extremely important* however, as it *prevents discussion* which this person dismisses as a waste of time. The other five respondents indicate however that indeed it is necessary to agree on those things, but this *can also be done verbally rather than in a formal contract*. It was also mentioned three times that *such agreements change over time*.

4.1.5 Cultural issues

Q19. Score of importance of respecting cultural differences

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	1	1	3	0	1	4,83

“A sparrow is just as busy with building its nest as a stork. Everyone deserves respect and an opportunity to start”.

“Not all firms are the same, so you should account for that. But it cannot be predominant”.

Q20. Score of importance of agreeing on timescales and priorities

Score	1	2	3	4	5	6	7	Average
Frequency	0	0	0	0	0	3	3	6,50

“It does not matter whether a partner is big or small, you need to make such agreements and be accountable for it. Otherwise they are just a nuisance”.

“Having a plan and adding a time schedule when things need to be accomplished. That is rather important”.

4.1.6 Final questions

Q21. Reason for current lack of industry-wide collaboration

First of all, three respondents indicated that there is currently no industry-wide collaboration due to *China being a difficult market to be active on in general*, and *some firms might not completely understand or know that market*. Four respondents indicated that *a lack of trust and not being able and or willing to rely on each other* is another reason. It was mentioned two times this lack of collaboration is due to *differences in ambitions and levels of commitment of firms*. Two other answers regarded the *lack of a common interest* and *firms rather going for short term or one-time success instead of aiming for long term success*. One respondent stated that *a successful industry-wide collaboration is still an option as there remains a demand for it, but currently the initiative is missing and there are some hurdles to overcome*.

Q22. Ideal collaboration without current problems and limitations

Various answers were given to this question, but when examined carefully a distinction into two main answers can be made: *Being known as the number 1 in quality on China’s market*, and *establishing goals, targets and a plan together and subsequently executing this plan all together without worrying about competition among Dutch firms*. One unique answer was that *a Dutch industry-wide collaboration could be in the form similar to the HHF, so a foundation consisting of firms that represent all segments of the industry and which functions as a central point of information for Chinese customers. Ideally this new construction would require less contribution however as that forms a barrier for firms to enter*.

Being the number 1 in quality was mentioned six times. One respondent for example stated that *the Dutch horse industry should get the same type of image as Swiss watches*. Another example was *having*

a large Dutch network in China which is known for its quality and craftsmanship, which is chosen and preferred by Chinese over e.g. German, French or Belgium firms.

4.2 Categories of CSFs

While answering the interview questions, respondents provided other, interesting statements regarding the different categories of CSFs which were not specifically included in one question. For example: in one answer to question 19 (respecting cultural differences) it was stated a driving force (a person or firm) is needed, which must be flexible and a real go-getter. This statement relates to CSFs regarding choice of partner, while it does not answer the question which relates to CSFs regarding cultural issues. In this case, this statement is included in the section below to give a complete insight in what is deemed important by the respondents. Thus, the coded data which were not yet included in the section above are discussed in this section, based on the category of CSFs they belong to.

4.2.1 Choice of partner

Eight times respondents mentioned the importance of *unity among partners*. Three times in the sense that currently there is *a lack of unity among Dutch firms*, which is deemed negative by the respondents. Unity among partners, being on the same page, is thus seen as positive and necessary by the respondents.

A lack of common interest and *refusing to give each other something*, which is both deemed negative, was mentioned ten times in the answers of the respondents. It is indicated that many firms do not seem to understand the benefits of acting on a common interest.

From the three statements regarding ambition, it became clear that collaboration partners should have *equal amounts of ambition* regarding China's market according to those respondents.

It was also mentioned three times that *collaboration partners should be compatible* and preferable *complement each other*.

One respondent clearly indicated there should be *one driving force in a collaboration, which should be flexible and a real go-getter*.

Quality was mentioned once as an important characteristic of a partner.

4.2.2 Generic factors

Trust was mentioned fifteen times in the answers of the respondents. Out of these fifteen times, nine statements were negative. So either the statement is about *distrust*, or the statement is about *a lack of trust*. Four of the fifteen expressions were specifically regarding *trusting to rely on partners*.

Fourteen statements were given on *commitment* within a collaboration. Six of the fourteen statements were negative; varying from *not willing to sufficiently commit*, to *being afraid to commit and share e.g. their knowledge*, and to *having unequal amounts of commitment among partners*. Furthermore, it was two times specifically stated that *the higher the ambition of a firm, the higher their commitment (and of their partner) should be*.

Finally, two statements were made regarding *communication*, which both were regarding the importance of communication.

4.2.3 Project management

Establishing goals and objectives together were specifically mentioned twice by a respondent.

Four times it was stated by respondents *solid agreements and arrangements are needed*, out of which two were specifically regarding *(time)planning*.

Having a realistic plan in general was mentioned five times by respondents.

Subsequently *jointly developing a strategy to execute the plan and step-by-step implementing this strategy* was mentioned five times by the respondents.

4.2.4 Cultural issues

Only one statement related to cultural issues, which was that *each firm has its own problems for which they should not be judged*.

4.2.5 Other

A few recurrent statements are found in the answers of the respondents, which cannot be classified to any of the categories above. They are interesting in the context of the current research however and are therefore mentioned here.

Four respondents indicated they *still strongly believe in the potential success and the feasibility of an industry-wide collaboration*. A note should be made that *this will be difficult and some hurdles will have to be overcome, but it is not impossible* according to them. However, *currently the Dutch industry lacks initiative and a driving force* according to three respondents. Five statements were made regarding the *enormous amount of knowledge and expertise the Dutch equestrian industry holds*. They state that the Netherlands is *already on top of the world, and has a lot to offer to the Chinese market*. Furthermore, two respondents specifically stated *a demand for Dutch products still exist on China's market*. On the other hand, two respondents stressed *the importance of satisfying the Chinese customers by sending the right horses*. *Selling a few non-fitting horses will quickly damage the image of the Netherlands in China*.

5 Discussion

This section analyses the results of the previous section and present preliminary conclusions.

5.1 Difficult climate

Firstly, the current collaboration climate among Dutch equestrian firms regarding China's market is described as difficult and troublesome, with faded interest after an enthusiastic start. Besides China's equestrian market being a difficult market in general, reasons for the current lack of pre-competitive collaboration are a lack of common interest, lack of unity, lack of commitment and distrust.

5.2 Analysing scores of categories of CSFs

Secondly, quite some knowledge can be gained by analysing the scores of the three categories of CSFs: generic factors, project management, and cultural issues.

5.2.1 Generic factors

Generic factors' average scores are a 6,33 (*commitment*), a 6,67 (*trust*), a 6,50 (*communication*), and a 3,83 (*having contact with the same person*). This would mean a total average of 5,83. Without the clear low outlier of 3,83 however, this average total score would be a 6,50 with a total dispersion of three numbers (5 till 7).

The low score for 3,83 can be explained by the fact that all respondents are SMEs with a smaller amount of personnel. Their partners are in general most likely to be SMEs as well, which have short communication lines resulting in most employees knowing what is going on in the firm. Therefore, most employees will communicate the same message in name of the firm, which lowers the urgency for always having contact with the same person. This is different in large firms with hundreds if not thousands of employees and diverse subsidiaries. As the respondents probably have not experienced this problem very often, they give a lower score to this factor.

5.2.2 Project management

The average scores of project management were 6,33 (*clearly defined goals and objectives*), 5,83 (*project monitoring*), and a 5,33 (*project planning*). The total average is 5,83 with a total dispersion of four numbers (4 till 7).

Regarding specifying the various factors in a formal contract, specifying *clearly defined goals and objectives* in a formal contract seems to be of biggest importance out of the three CSFs regarding project management. But still, specifying these goals and objectives in a contract is only of moderate importance. Specifying *project planning* in a formal contract is out of the three factors least important to the respondents and is indicated to be of only neutral importance. It was stated only once that a respondent found this extremely important, while the other five indicated that establishing this verbally is fine too.

5.2.3 Cultural issues

The CSFs regarding cultural issues score averages of 4,83 (*respecting cultural differences*) and 6,50 (*agreeing on timescales and priorities*). This would mean an average of 5,67.

The dispersion of the factor *respecting cultural differences* is five numbers (3 till 7) indicating very different views by the respondents on the importance of this factor. The dispersion on the factor *agreeing on timescales and priorities* is only two numbers however (6 till 7), indicating unity among the respondents regarding the importance of this factor.

The factor *agreeing on timescales and priorities* is quite similar to the factor *commitment* (6,33) from the generic factors category and the factor *project planning* (5,33) from the project management category. This also becomes apparent from the quotes in the answers regarding the question on agreeing on timescales and priorities and by the scores given by each respondent for each of the

factors separately. As *commitment* and *project planning* both score high, this could be an explanation for the higher score of the factor *agreeing on timescales and priorities*.

5.3 Comparing questions with CSFs categories

Table 2 Average score and times mentioned per category of CSFs

	Average score	'Corrected' average score	Dispersion	Times mentioned
Generic factors	5,83	6,50	3 (5 till 7)	58
Choice of partner	-	-	-	35
Project management	5,83	5,83	4 (4 till 7)	13
Cultural issues	5,67	4,83	5 (3 till 7)	1

Thirdly, the results per interview question were laid side by side with the results per category of CSFs. Based on the number of statements given (see table 2), it can be argued that generic factors and choice of partner are seen as most important by the respondents, with emphasis on the generic factors. Cultural issues do not seem to be of importance to the respondents based on the number of statements made.

This can be compared with the scores of importance given to the generic factors, project management and cultural issues (see table 2). The calculation of the 'corrected' average scores can be found in section 5.2. These 'corrected' average scores confirm that generic factors are being seen as most important, and the cultural issues seen as least important by the respondents. The score of project management is relatively high however considering the total number of comments made on that category. This is reflected however by the dispersion of the score. Those who scored high on project management also gave more comments on project planning throughout the interview. The high average can also partially be explained by the high score on *agreeing on timescales and priorities* (see section 5.2.3).

5.4 Factors mostly mentioned per category of CSFs

Fourthly, it can be examined which factors were mostly mentioned per category.

When it comes to generic factors, *relying on each other* and *trust* are deemed most important considering times mentioned. *Relying on each other* is mentioned 15 times. Out of these 15 times four statements were negative, so e.g. *a lack of being able to rely on each other*. *Trust* was mentioned 15 times, out of which nine times negatively. Finally, *commitment* was mentioned 12 times, out of which six times negatively. The factors *rely on each other*, *trust* and *commitment* are thus considered most important generic factors according to the respondents.

Regarding choice of partner, the factor *common interest* was mentioned most with nine statements. Out of these nine statements seven statements were negative, so e.g. *a lack of common interest*. *Unity among partners*, or *being like-minded*, was mentioned six times, out of which two times negatively. Therefore, *common interest* and *unity/being like-minded* are seen as most important factors of choice of partner.

Regarding project management, the factor *realistic plan* was mentioned most with five statements. This factor is therefore seen as most important regarding project management.

5.5 Comparing statements regarding categories of CSFs with corresponding questions

Subsequently, the statements regarding each category of CSFs can be compared to the corresponding questions to those categories.

5.5.1 Generic factors

Within this category *rely on each other*, *trust* and *commitment* are most important factors based on the number of statements. *Trust* was defined by five respondents as 'being able to rely on each other'. *Trust* and *being able to rely on each other* can thus be merged into the CSF *trust*, which is clearly perceived as most important generic factor. *Trust* also received the highest score out of the four factors of generic factors, which is a 6,67. The definition of *commitment* is less unambiguously. Four respondents defined it as 'investing time', however. As this is a majority, this definition will be used. The score given to *commitment* is a 6,33, which is only the third ranking score of importance. *Communication* was only mentioned three times, but scores a 6,50. This suggests *communication* is deemed to be more important than *commitment*. However, when asked to define *communication* all answers given were unique (except for 'honest and clearly telling what is going on', which was mentioned twice). This indicates that the factor *communication* is seen as very important but there is no consensus of what this factor means. Considering all of the above, *commitment* is seen as second important CSF, and *communication* ranks third. *Having contact with the same person* was not mentioned once, which matches the low score of 3,83. This is therefore deemed the least important CSF of the generic factors.

5.5.2 Choice of partner

Based on times mentioned the most important factors regarding choice of partner turned out to be *unity/being like-minded* and *common interest*. When asked based on which factors the respondents choose their partners however, half of them responded with *based on their level of knowledge and quality*. Two of them mentioned *trustworthiness* as an important factor as well. Two others indicated *level of commitment* to be the deciding factor. It seems to be that consciously *the level of knowledge and quality*, and the *level of commitment* are important factors when choosing a partner, while *unity/being like-minded* and *common interest* are also important but subconsciously. Or maybe these two latter factors are considered self-evident when considering a firm as partner.

5.5.3 Project management

Regarding project management *having a realistic plan* is most mentioned and therefore seen as most important. *Having a (realistic) plan* includes all CSFs included in the interview: *having clearly defined goals and objectives*, *having project monitoring*, and *having project planning*. Based on the scores however, the factor *having clearly defined goals and objectives* is seen as most important (6,33), followed by *having project monitoring* (5,83), and finally the factor *having project planning* (5,33). The rate of importance to specify these factors in a formal contract holds the same ranking. For *clearly defined goals and objectives* this is seen as quite important, at least to define them globally. Specifying the factor *project monitoring* in a formal contract is less important to most of the respondents. Regarding the factor *project planning* the general view is that specifying this in a formal contract is not necessary. Specifying this verbally is fine too, as *project planning* changes over time according to the respondents.

5.6 Statements not relating to any category of CSF

Finally, a few things became apparent from the statements which do not belong to any of the categories of CSFs: (1) All respondents indicated that the Chinese market is difficult to enter and act on, (2) The majority still believes in the potential success of an industry-wide collaboration, (3) Half of the respondents indicated a current lack of a driving force (firm or person) for such collaboration, (4) Half of the respondents indicated that the Netherlands has a lot of knowledge and expertise regarding the equestrian industry to offer to the Chinese market, (5) The majority subsequently thinks the Netherlands should become known as the number 1 in quality on China's equestrian market, (6) Half of the respondents thinks the Dutch equestrian firms and organisations active on or interested in China's market should act more as one in the future.

In a nutshell, this section showed that possible reasons for the current absence of an industry-wide pre-competitive collaboration are the current distrust, lack of common interest, lack of unity, and lack of commitment. The CSFs of generic factors are deemed most important (based on both average scores and total number of statements), followed by the CSFs of choice of partner, project management, and finally the CSFs of cultural issues which are least important. Regarding generic factors the most important CSFs are *trust*, *commitment*, and *communication*. For choice of partner these CSFs in order of importance are *unity/being like-minded*, *common interest*, *level of knowledge and quality*, and *level of commitment*. The CSFs indicated as most important for project management are in order of importance *having clearly defined goals and objectives*, *having project management*, and *having project planning*. Specifying these CSFs in a formal contract is not considered important. The CSFs in order of importance regarding cultural issues are *agreeing on timescales and priorities* and *respecting cultural issues*. Furthermore, the results indicated China's equestrian market to be difficult to act on, a majority of Dutch equestrian firms still believes in the potential success of an industry-wide pre-competitive collaboration, currently a driving force (firm or person) is missing, the Netherlands has a lot of equestrian knowledge and expertise to offer, the Netherlands should become known as the number 1 in quality in China, and finally Dutch equestrian firms reckon they should operate more as one on China's market in the future.

6 Conclusion and recommendations

In this section the main research question and the sub-questions are answered. Subsequently, recommendations for the Dutch equestrian industry and further research are given. This section is finalised by discussing the strengths and limitations of the current research.

6.1 Conclusion

To remain market leader on China's equestrian market, Dutch equestrian firms should improve their business. One way of doing this is to collaborate with the industry as a whole. In this particular case, such collaboration is called pre-competitive collaboration. As currently the Dutch equestrian firms fail to successfully establish such collaboration, this research has looked into the critical success factors influencing the performance of pre-competitive collaborations. In order to achieve this objective, the following research questions were composed. First each sub-question is answered. These answers are thereafter used to answer the main research question.

Main research question:

What are the critical success factors influencing the performance of pre-competitive collaboration and what can the Dutch equestrian industry learn from this?

6.1.1 Sub-question 1

Which organisational relationships exist in which pre-competitive collaboration occurs?

From section 2.1 of the literature review it became apparent that four explicit organisational relationships exist in which pre-competitive collaboration occurs, and two examples of successful pre-competitive collaborations in sectors are found. These organisational relationships are (1) market development, (2) joint Research & Development arrangements, (3) University-Industry Collaborations (UICs), and (4) Public-Private Partnerships (PPPs). The sectors in which pre-competitive collaboration occurs are (1) the hotel industry and (2) the tourism sector.

6.1.2 Sub-question 2

Which of these organisational relationships can be applied to the Dutch equestrian industry and what are the critical success factors of these organisational relationships?

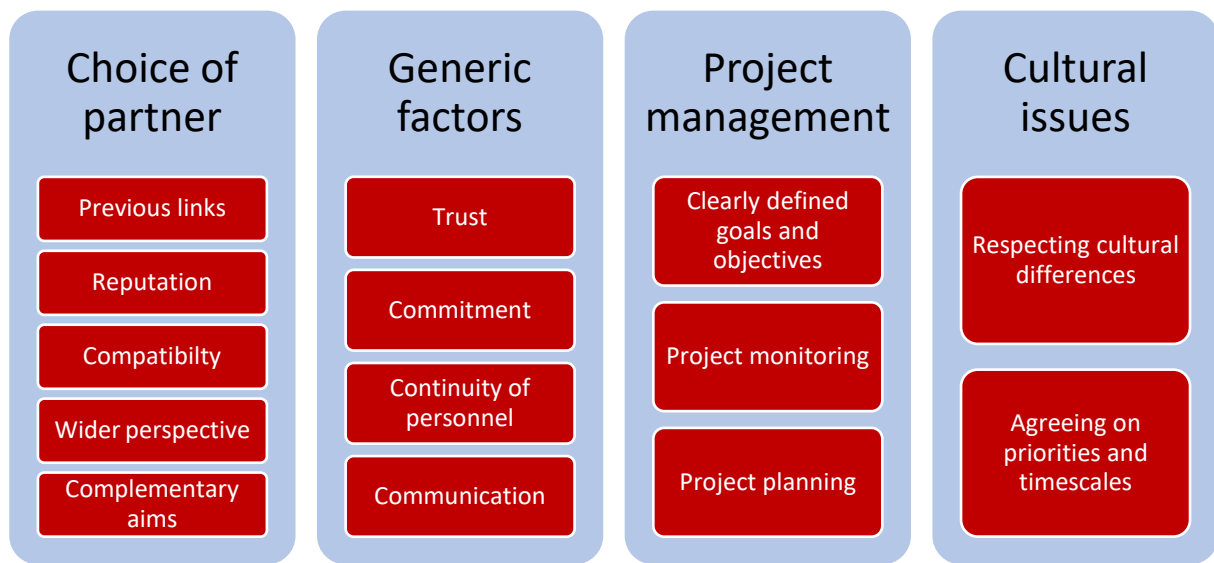
In section 2.2 it is stated that each of the aforementioned organisational relationships and sector examples can be applied to the Dutch equestrian industry active on or interested in China's market. Below in table 3 the critical success factors of each organisational relationship and sector are discussed.

Table 3 CSFs per organisational relationship in which pre-competitive collaboration occurs

Market development collaborations	Joint R&D arrangements	University-Industry collaborations	Public-Private Partnerships	Hotel industry	Tourism industry
<ul style="list-style-type: none"> • CSFs <ul style="list-style-type: none"> • Strong personal relationships • Wider vision • + previous export experience • - Rivalry • Admit need for collaboration • Systematic approach • Roles <ul style="list-style-type: none"> • Information exchange • Generate orders • Learning environment • Reduce risk 	<ul style="list-style-type: none"> • Whole process thought out • Balance between cooperation and competition • Contextual factors <ul style="list-style-type: none"> • Previous links • Reputation • Definition of objectives • Institutionalisation • Geographic proximity • Organisational factors <ul style="list-style-type: none"> • Commitment • Communication • Trust • Conflict • Dependence • Areas <ul style="list-style-type: none"> • Extensive contract • Select right project • Respect cultural differences • Ask only needed IP • Knowing what you want 	<ul style="list-style-type: none"> • Choice of partner <ul style="list-style-type: none"> • Complementary aims • Complementary expertise • Collaborative experience • - Hidden agenda's • Universal factors <ul style="list-style-type: none"> • Commitment • Trust • Continuity of personnel • Corporate stability • Project management <ul style="list-style-type: none"> • Definition of objectives • Project monitoring • Project planning • Communication • Cultural issues <ul style="list-style-type: none"> • Agree on priorities and timescales • Manage issues regarding right to publish • Student agenda's • Capacity and resources • Legal issues and contractual mechanisms • Management and organisation issues • Technology issues • Political issues • Social issues • Other issues 	<ul style="list-style-type: none"> • Willingness to share resources • Clear documentation of goals and project management • Trust • Addressing structural obstacles • Good relationships • Maintaining good relationships • Favourable investment environment • Economic viability • Reliable concessionaire consortium • Risk allocation and sharing • Strong private consortium • Political support • Community/Public support • Transparent procurement 	<ul style="list-style-type: none"> • Genuine incentive for friendship • Otherwise no <ul style="list-style-type: none"> • Trust • Empathy • Reciprocity • Cohesive network 	<ul style="list-style-type: none"> • CSFs <ul style="list-style-type: none"> • Trust • Social ties • Relational capabilities • Formal coordination mechanisms • DMO roles <ul style="list-style-type: none"> • Leadership role • Broker and pivotal role • Preventing power asymmetry • Aligning strategic thinking • Increasing maturity of network management • Increasing maturity and distance of the marketing approach • Cherish past experience working together • Utilising cultural, functional and organisational similarities

All the CSFs mentioned in table 3 were analysed, reconsidered and reorganised, resulting in the theoretical framework of section 2.3.2. The CSFs mentioned in table 4 (which is based on the theoretical framework) were used throughout the current research and are divided in four categories:

Table 4 CSFs per category used in research



6.1.3 Sub-question 3

To which extend can and will the Dutch equestrian industry adhere to these conditions?

This question is divided into two parts which will be answered separately. Subsequently the overarching sub-question 3 will be answered by using both answers.

(a) To which extend are these critical success factors present in the Dutch equestrian industry?

Choice of partner

- *Previous links*
From the results it became clear that some firms have collaborated in the past with other Dutch equestrian firms. This does not hold for all of them, however.
- *Reputation*
Naturally, all Dutch equestrian firms have a certain reputation being it positive or negative.
- *Compatibility*
Some firms are more compatible to each other than others. E.g. firms involved with day-to-day business in and around the stable (i.e. stable flourishing, horse feed, stable management) are more compatible to each other than to a firm providing training and knowledge. But in the bigger perspective, all equestrian firms are somewhat compatible to each other as they operate in the same industry.
- *Wider perspective*
This strongly differs per firm. However, in general it can be said that currently most firms lack such a wider vision and fail to see the common interest.
- *Complementary aims*
For this CSF the same holds as for *wider perspective*. It differs strongly per firm, but the general view is a current lack of unity and being like-minded. This lack seems to be less critical than the lack of having a wider perspective, however.

Generic factors

- *Trust*
Currently there seems to be an industry wide lack of trust with few exceptions.
- *Commitment*
The current collaboration climate of Dutch equestrian firms lacks commitment.

- *Continuity of personnel*

The results showed only one particularity regarding this CSF, indicating a general smooth continuity of personnel. Only one firm has had a personnel change, with the new employee being insufficient in its role as project manager of the collaboration. This had big impact in the total collaboration climate of the Dutch equestrian industry however, as this firm (and therefore this new employee) was the driving force behind a collaboration collective. This personnel change has (partly) resulted in the termination of the collaboration collective.

- *Communication*

No particularities came forward from the results, indicating this CSF to be present in the Dutch equestrian industry.

Project management

- *Clearly defined goals and objectives*

As currently there are no collaboration within the Dutch equestrian industry regarding China's market, it can be stated that this factor is currently not present.

- *Project monitoring*

As currently there are no collaboration within the Dutch equestrian industry regarding China's market, it can be stated that this factor is currently not present.

- *Project planning*

As currently there are no collaboration within the Dutch equestrian industry regarding China's market, it can be stated that this factor is currently not present.

Cultural issues

- *Respecting cultural differences*

In the results it was once indicated that a former collaboration collective existed mostly of A-branded firms. The contribution that needed to be paid to join this collective could form a barrier for smaller firms. However, those smaller firms were allowed to join if they could pay the contribution, so it cannot be stated that the collaboration collective truly disrespected cultural differences.

- *Agreeing on priorities and timescales*

As currently there are no collaborations within the Dutch equestrian industry regarding China's market, it can be stated that this factor is currently not present.

(b) To which extend is the Dutch equestrian industry willing to adhere to these critical success factors?

Choice of partner

- *Previous links*

Based on the results, this CSF is not of importance to the Dutch equestrian firms active on or interested in China's market.

- *Reputation*

Specifically the reputation of a possible partner is not of importance. The quality of a possible partner however, matters.

- *Compatibility*

A partner having specifically compatible knowledge matters to the Dutch equestrian firms.

- *Wider perspective*

Having a common interest is important to the Dutch equestrian industry, and the current lack of it is therefore seen as problematic.

- *Complementary aims*

Having complementary aims is important to the Dutch equestrian industry, and the current lack of it is therefore seen as problematic.

Generic factors

- *Trust*
Trust is unambiguously defined as 'being able to rely on each other', and is considered very important. It is clearly identified as the most important CSF, both of the CSFs belonging to the generic factors and of all the CSFs in general.
- *Commitment*
Commitment is defined as investing time, and is ranked second important CSF of the generic factors. This makes commitment quite important to the Dutch equestrian industry.
- *Continuity of personnel*
Continuity of personnel scored lowest of the generic factors. This factor is not that important, as long as the message given by a firm is clear and transparent it does not matter which employee brings the message.
- *Communication*
Communication scores high on rate of importance, but cannot be defined unequivocally. So, firms are willing to adhere to communication, but it differs greatly per firm what they are adhering to.

Project management

- *Clearly defined goals and objectives*
Having clearly defined goals and objectives is seen as very important to the Dutch equestrian industry, and scores highest of the CSFs regarding project management. Specifying these goals and objectives in a formal contract is also quite important and should at least be specified globally.
- *Project monitoring*
Project monitoring is also seen as important and ranks second within project management. Specifying project monitoring in a formal contract is less important than specifying the goals and objectives.
- *Project planning*
Project planning is least important of the CSFs regarding project management, but can still be noted as important. Project planning does not need to be specified in a formal contract, however. Verbal specification is also fine, as this changes over time.

Cultural issues

- *Respecting cultural differences*
Respecting cultural differences is of greatly varying importance to different Dutch equestrian firms. The general perception is that this is somewhat important, but it cannot be predominant.
- *Agreeing on priorities and timescales*
This relates to and is considered a combination of the CSFs *commitment* and *project planning*. Like these two CSFs, agreeing on priorities and timescales is considered important.

(a + b) To which extend can and will the Dutch equestrian industry adhere to these critical success factors?

The CSFs regarding choice of partner are currently mostly present, although this varies per firm. The Dutch equestrian industry can and is willing to adhere to all these factors. However, *previous links* and *reputation* are not considered of importance for the Dutch equestrian industry.

Regarding generic factors, the CSFs *trust* and *commitment* are currently not present, opposing to *continuity of personnel* and *communication*. The Dutch equestrian industry can and is willing to adhere to all these CSFs. However, regarding *communication* it must be specified what is meant as the definitions differ greatly among different firms.

Currently none of the CSFs of project management are present. The Dutch equestrian industry can and is willing to adhere to all three CSFs though. They are not necessarily willing to specify these CSFs in a formal contract however, with exception of the *clearly defined goals and objectives*.

Regarding cultural issues, the CSF *respecting cultural differences* is present while the CSF *agreeing on priorities and timescales* is not present. The Dutch equestrian industry could adhere to *respecting cultural differences* but is only somewhat willing to adhere to this as it cannot be predominant. Regarding *agreeing on timescales and priorities* however, the industry can and is very much willing to adhere.

6.1.4 Main research question

What are the critical success factors influencing the performance of pre-competitive collaboration and what can the Dutch equestrian industry learn from this?

The critical success factors influencing the performance of pre-competitive collaboration can be found in table 5. The current research revealed however that not all of these CSFs are of importance to the Dutch equestrian industry. The CSFs *previous links* (choice of partner), *reputation* (choice of partner), and *continuity of personnel* (generic factors) are not of importance and are therefore not considered CSFs for the Dutch equestrian industry active or interested in China. This leads to the following overview with the CSFs given in order of importance:

Choice of partner: *Complementary aims, wider perspective, and compatibility.*

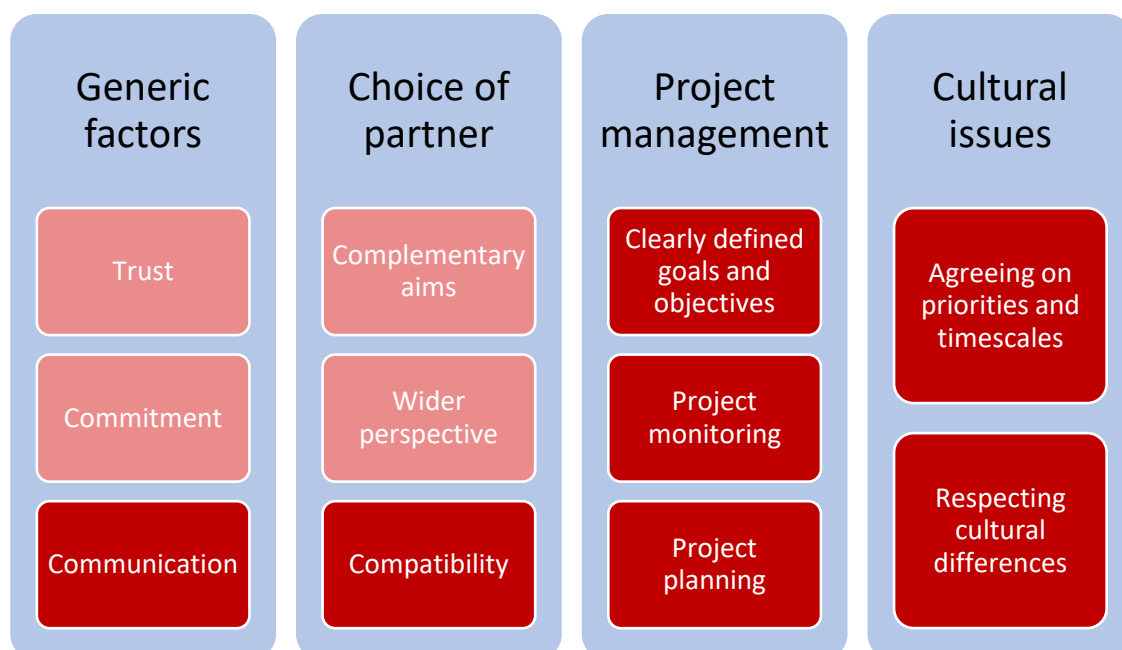
Generic factors: *Trust, commitment, and communication.*

Project management: *Clearly defined goals and objectives, project monitoring, and project planning.*

Cultural issues: *Agreeing on priorities and timescales, and respecting cultural differences.*

The current research made it apparent that the Dutch equestrian firms interested in and active on China's market are willing to adhere to the above-mentioned CSFs. However, currently a few CSFs are missing: *trust* and *commitment* are the most crucial, followed by *having a wider perspective* (common interest), and *complementary aims* (unity/being like-minded) (see table 5). What is also missing is the perceived importance to specify the project management related CSFs in a formal contract. Specifying the *clearly defined goals and objectives* is considered of moderate importance, and the importance of specifying *project monitoring* and *project planning* is only perceived neutral.

Table 5 CSFs per category used in practice (displayed in order of importance)



Based on the current research, the following conclusion can be made. Although the Chinese equestrian market is a difficult market to operate on, it is generally believed that an industry-wide collaboration can still be successful. Furthermore, the Netherlands has plenty of equestrian knowledge and expertise to offer. When the Dutch equestrian industry adheres to the relevant CSFs, they could act as one on China's equestrian market and become known as the number one in equestrian quality in China. This may be with or without a driving force 'leading' the industry-wide pre-competitive collaboration. To make this reality however, first some obstacles must be overcome. First of all, the missing CSFs must be addressed. Once these are in place and adhered to in practice, the next step is the difficult task of establishing the CSFs regarding project management while accounting for the CSFs of the cultural issues. When all this is realised and a successful pre-competitive collaboration is established, there is still the external problem of China's adverse legislation. Nevertheless, with time, persistence and help from the government the lack of certain protocols can be overcome.

So yes, with the right firms an industry wide pre-competitive collaboration among the Dutch equestrian industry with focus on China's market is possible, although this is definitely not easy to establish. Regardless, it will be worth it in terms of business opportunities which are gained in return.

6.2 Recommendations

Based on the current research a few recommendations can be given. Both for the Dutch equestrian industry active on and or interested in China's market and for future research.

6.3.1 Dutch equestrian industry

First of all, it can be recommended to the Dutch equestrian industry to seriously look into an industry-wide collaboration regarding China's market (again). This research showed that Dutch equestrian firms might be more aligned regarding such a collaboration than realised by those firms. It is a difficult job but not impossible to establish a successful industry-wide pre-competitive collaboration. The benefits of such a collaboration could be huge. China's market is already large, but it is still growing and developing. As the market is largely still in its infancy it likely holds long-term benefits before the Chinese will be able to develop products of their own of an equal/competing level of quality.

In order to reach a successful pre-competitive collaboration, a few obstacles must be overcome. It is recommended to select the right partners for such a collaboration. Only firms with a truly long-term interest in China should be chosen, which are not discouraged by the difficulties China's equestrian market entails. These firms should be well informed and familiar with China's equestrian market and must fully understand what they are starting with.

Once the right partners are chosen who all see the common interest and all firms involved are like-minded, the next step is to address the currently missing trust and commitment. The collaboration initiative will not succeed if distrust remains present and the levels of commitment differ to largely. Furthermore, consensus should be reached on what effective communication holds.

The next step is to collectively establish clearly defined goals and objectives, project monitoring and subsequently project planning. Although the current research showed that currently specifying these aspects in a formal contract is not considered important to the Dutch equestrian firms, it is recommended to do so nevertheless. The literature review indicated specifying all these aspects in a (formal) contract to be crucial for the success of a pre-competitive collaboration.

As most Dutch equestrian firms are not only active in China but also in other countries, it could be beneficial to work with a go-getter that 'leads' the collaboration. This go-getter's main focus must be China, should hold close contact with all partners involved, and act as a central information point. Furthermore, this go-getter should be collectively appointed by all partner involved.

Finally, it is recommended to the Dutch equestrian industry to hold a close relationship with the Dutch government, both in the Netherlands and the Dutch governmental bodies in China. This in order to be better able to overcome legislation barriers and to stay up to date on relevant changes in law, regulations, etc.

6.3.2 Further research

The first recommendation for future research is to look into how trust and commitment can be improved in an industry such as the Dutch equestrian industry. Theoretically stating this must be done is easy but bringing it to practice is rather difficult. Guidance on how to realise this would therefore be helpful.

Secondly, it is recommended to research what the role of go-getter should entail more explicitly. E.g. what should be the tasks and obligations, what traits should such a go-getter have, and how can a fair financial compensation best be arranged?

The third recommendation for future research links to the previous recommendation. It would be interesting to look into the possibilities of establishing an equivalent of a Destination Management Organisation for the Dutch equestrian industry. Possibly the go-getter should be in the form of a DMO. What lessons can be learned from the tourism industry?

Finally, further research can be done regarding the current situations of equestrian industries of other countries which are active in China. What can be learned from the German equestrian industry for example, or Belgium or France? These countries are increasingly doing business on China's equestrian market and it would be interesting to see how they do this; what are their strengths and weaknesses?

6.3 Strengths and limitations

The current research has been established with care and in the best possible way according to the capabilities of the author, timeframe and resources available. Nevertheless, there are some strengths and limitations to the research, which should be considered when interpreting the outcomes.

A clear strength of the research regards the critical success factors found. In the interviews respondents were asked to rate several critical success factors on importance. With exception of one (which scored a neutral) all these factors scored high with at least moderately important to extremely important according to the Likert scale. This implicates that the CSFs used throughout the research are actually relevant in practice.

Another possible strength is that the results and the outcome of the research underline the personal experience and knowledge of the author. This experience and knowledge were gained during prior research done in China.

A limitation of the research is the small sample size for the primary data collection, which was only six respondents. However, to account for this the respondents were chosen in such a way that they represent different segments of the equestrian industry. The limitation of having a small sample size is also partly eased by the total possible sample size. Only around 25 Dutch equestrian firms are doing business on China's equestrian market on a regular basis.

Another possible limitation of the research is the possibility that biased answers were given in the primary data collection. This is because all firms in the data set already tried to do business in China while they did not all succeed in doing so. They could thus e.g. be exaggerating on negative aspects of the market itself or of other firms in order to prevent them 'losing face' themselves. However, this

does not seem to be the case in the current research based on the knowledge and experience of the author.

The translation of the interviews from Dutch to English forms another possible limitation. There is always a risk of misinterpretation when translating. In this case the Dutch interview results were translated to English by the author.

Finally, a clear limitation of the current research is regarding the list of organisational relationships found in the literature review. Although this list is established with care and with use of different search terms in an attempt to gain as much organisational relationships as possible, this list is not exhaustive. With more time invested perhaps even more organisational relationships could have been found.

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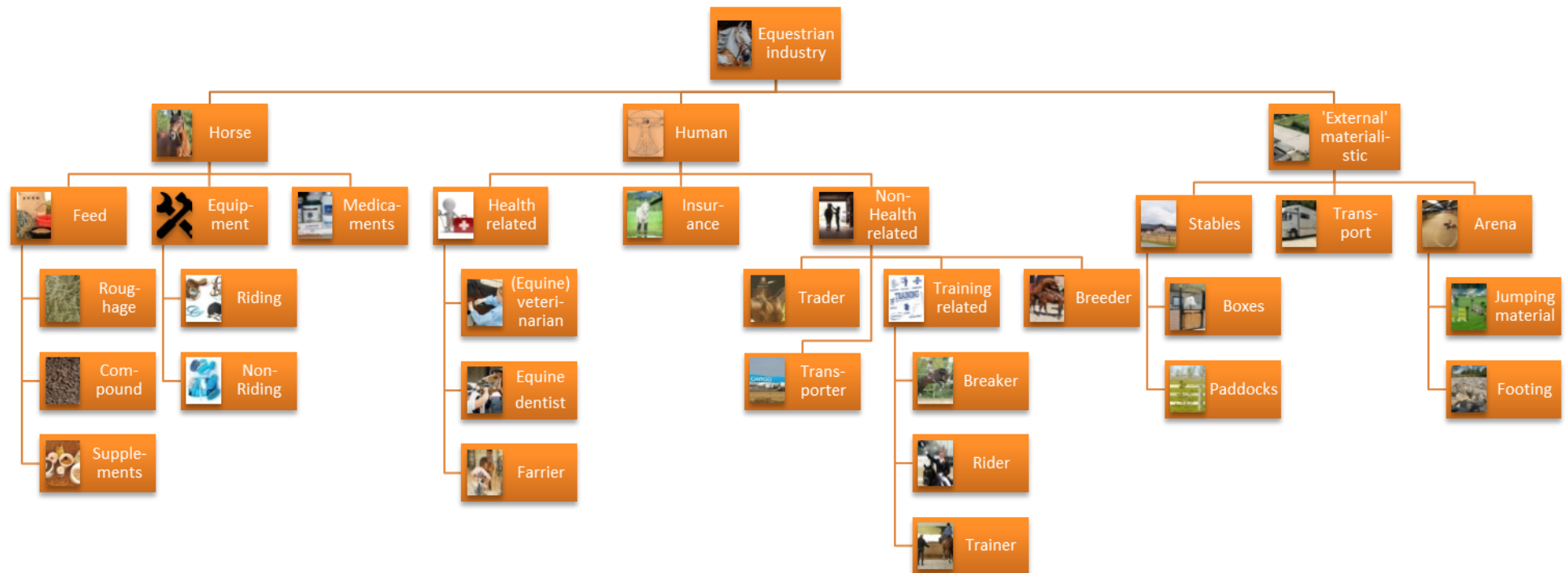
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8 Appendices

8.1 Schematic overview of equestrian industry



8.2 Interview protocol

The interview questions are composed according to four sub-topics which match the categories mentioned in the theoretical framework. It is explained per question why the question is asked. The questions are organised per sub-topic and are asked in the same sequence as stated below.

Allereerst bedankt dat u tijd vrij wilde maken om een aantal vragen te beantwoorden. Zoals u in de e-mail heeft kunnen lezen betreft dit een vervolgonderzoek op mijn rapport dat ik geschreven heb voor de Nederlandse ambassade te Beijing. Het betreft vragen over samenwerking tussen Nederlandse bedrijven in China. Dus twee of meer Nederlandse bedrijven die samen de Chinese markt op gaan. Het zal ongeveer 15 tot 20 minuten duren, en mochten er vragen zijn dus u liever niet wil beantwoorden is dat uiteraard geen probleem. Heeft u er bezwaar tegen als ik het gesprek opneem? Deze opname wordt alleen gebruikt voor het verwerken van de data en wordt verder niet openbaar gemaakt of aan derden verspreid. Heeft u nog vragen of opmerking voor we het interview beginnen?

Introduction

Question 1: *Wat is volgens u belangrijk en nodig om een samenwerking succesvol te maken?*

This is an introductory question which can provide insights in which factors the different firms and organisations deem important and necessary for a successful collaboration. In case these answers vary widely and do not match the factors found in the current research, it could explain the current lack of industrywide (successful) collaboration.

Question 2: *Hoe zou u het huidige samenwerkingsklimaat binnen de hippische sector actief op de Chinese markt omschrijven?*

This question gives an indication of the different existing views on the current situation regarding collaboration. These different views expose strengths and weaknesses and shows at which factors/areas improvement is desirable.

Choice of partner

Question 3: *Op basis van welke factoren kiest u uw samenwerkingspartners?*

The answers to this question can be compared to the factors found in the current research regarding partner choice. When these factors do not match, it could explain the current lack of industrywide (successful) collaboration.

Question 4: *Heeft u Nederlandse samenwerkingspartners voor de Chinese markt?*

Zo ja, welke bedrijven of organisaties zijn dit?

This question gives an insight in the current collaborations of the Dutch equestrian industry regarding the Chinese market. Having such an overview could allow for linking existing collaborations to create an industry wide collaboration.

Generic factors

Question 5: *Wat verstaat u onder 'inzet' binnen een samenwerking? (Commitment)*

This question gives an insight in how different organisations and firms define commitment. Knowing these definitions allows for better comparison of the possible different scores given at the follow-up question.

Question 6: *Kunt u met een score van 1-7 aangeven hoe belangrijk u deze factor vindt binnen een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk).*

This question gives an indication of the rate of importance different firms and organisations give to this factor. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 7: *Wat verstaat u onder 'vertrouwen' binnen een samenwerking? (Trust)*

This question gives an insight in how different organisations and firms define trust. Knowing these definitions allows for better comparison of the possible different scores given at the follow-up question.

Question 8: *Kunt u met een score van 1-7 aangeven hoe belangrijk u deze factor vindt binnen een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk).*

This question gives an indication of the rate of importance different firms and organisations give to this factor. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 9: *Wat verstaat u onder 'communicatie' binnen een samenwerking? (Communication)*

This question gives an insight in how different organisations and firms define communication. Knowing these definitions allows for better comparison of the possible different scores given at the follow-up question.

Question 10: *Kunt u met een score van 1-7 aangeven hoe belangrijk u deze factor vindt binnen een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk).*

This question gives an indication of the rate of importance different firms and organisations give to this factor. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 11: *Kunt u met een score van 1-7 aangeven hoe belangrijk u het vindt dat u voornamelijk met dezelfde persoon contact heeft binnen een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk). (Continuity of personnel)*

This question gives an indication of the rate of importance different firms and organisations give to this factor. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Project management

Question 12: *Kunt u met een score van 1-7 aangeven hoe belangrijk u denkt dat het hebben van duidelijk gedefinieerde doelen en doelstellingen is voor het succes van een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk). (Clearly defined goals and objectives)*

This question gives an indication of the rate of importance different firms and organisations give to this factor regarding the success of a collaboration. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 13: *In welke mate vindt u het belangrijk dat deze doelen en doelstellingen vastgelegd worden in een formeel contract?*

This question indicates to which extent firms and organisations are willing to adhere to formalising this factor.

Question 14: *Kunt u met een score van 1-7 aangeven hoe belangrijk u denkt dat het hebben van project bewaking is voor het succes van een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk).*

Onder project bewaking verstaan we bijvoorbeeld het opstellen van meet criteria van succes, het vastleggen van verschillende verantwoordelijkheden en verplichtingen van elke samenwerkingspartner, en het aanstellen van verantwoordelijk personeel binnen elk betrokken bedrijf. (Project monitoring)

This question gives an indication of the rate of importance different firms and organisations give to this factor regarding the success of a collaboration. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 15: *In welke mate vindt u het belangrijk dat dergelijke project bewaking vastgelegd worden in een formeel contract?*

This question indicates to which extent firms and organisations are willing to adhere to formalising this factor.

Question 16: *Kunt u met een score van 1-7 aangeven hoe belangrijk u denkt dat het hebben van project planning is voor het succes van een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk).*

Onder project management verstaan we bijvoorbeeld het bepalen van de beschikbare tijd voor het behalen van doelstellingen, het bepalen van de taakverdeling van partners, en bepalen welke manier van communiceren gebruikt zal worden. (Project planning)

This question gives an indication of the rate of importance different firms and organisations give to this factor regarding the success of a collaboration. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 17: *In welke mate vindt u het belangrijk dat dergelijke project planning vastgelegd worden in een formeel contract?*

This question indicates to which extent firms and organisations are willing to adhere to formalising this factor.

Cultural issues

Question 18: *Kunt u met een score van 1-7 aangeven hoe belangrijk u denkt dat het is om rekening te houden met verschillen in bedrijfsculturen voor het succes van een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk). (Respecting cultural differences)*

This question gives an indication of the rate of importance different firms and organisations give to this factor regarding the success of a collaboration. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Question 19: *Kunt u met een score van 1-7 aangeven hoe belangrijk u denkt dat het is om overeenstemming te bereiken over prioriteiten en tijdschema's voor het succes van een samenwerking (1 = helemaal niet belangrijk, 7 = heel belangrijk). (Agreeing on priorities and timescales)*

This question gives an indication of the rate of importance different firms and organisations give to this factor regarding the success of a collaboration. Widely varying scores could explain the current lack of industrywide (successful) collaboration.

Final question

Question 20: *Wat is volgens u de oorzaak dat er momenteel geen industrie-brede samenwerking is?*

This question gives an insight in the different views of participants regarding the current collaboration situation. The answers are not bound to the CSFs found in the current research, and might provide interesting and surprising insights.