



Taiwanese Companies in Europe

What it requires to be successful

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INTRODUCTION

The targeting of markets on continents previously unexplored is a tall order for most companies. In the case of Europe this is particularly true. Despite the fact that Europe is one market now, the differences in business culture, and expectations with regards to the way business partners respond and the lack of homogeneity of the various markets makes Europe a complex place. If one adds to that the cultural differences and in some cases the language challenges Asians have, the enormity of the challenge of winning a portion of the European market needs no further comment.

Leap2market Limited from London, with an office in Taiwan, has in previous years worked with several Taiwanese companies in helping them to become successful in Europe. As results of these projects some patterns emerged. Following these observations, and in order to be able to serve Taiwanese companies better going forward, leap2market approached HSZuyd to conduct a research project into the aspects that drive success or failure in the market entry of Europe for Taiwanese companies.

The report focuses especially on two industry sectors because they are the mainstay of the export economy of Taiwan.

- The first sector that was covered in the work is the hardware/electronics OEM/ODM field, covering Taiwanese companies mainly active as subcontractors to European branded products developers and manufacturers. This in Europe is being viewed as the "traditional" technology business for Taiwan.
- The second sector the project covered is the Taiwanese branded

products business. In this case complete solutions are being sold directly (or via channels) to European end-users. This is an emerging and fast growing business in Taiwan. The latter category includes branded software products.

The report is divided in eight sections. The first part of the report covers research about the important factors that Taiwanese companies need to consider when doing business in Europe. In this part the relevant cultural and historical differences of Europe and Taiwan are highlighted. Furthermore it presents European institutions and facilities which can provide support for Taiwanese companies in their plans for entering the European market as well as a list of companies which are already successful in Europe.

The second part of the report attempts to give the reader some useful decision making information and tools that can be applied in the process of determining how to attack the European market.

The third part of this report presents a field research project. Incumbent Taiwanese companies in The Netherlands (selected here to represent the larger EU in a compact scale) have been interviewed for this purpose as well as their European customers. Several very specific recommendations for developing an entry strategy for Taiwanese companies are presented here.