

## Project 2003\_066A: Internationalisation of Australian Construction Design Firms

The development of "soft" strategic indicators  
for international client satisfaction

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## Overview

- How did this project come about?
- What are we trying to achieve?
- What do we already know?
- How are we going to explore this topic?
- What are we uncovering?

CRC-CI Poster Presentation 2004

## How did this project come about?

- **Previous study:** HIA exporting innovative products (London, 1999)
- **increased success** at winning projects (post Olympics)
- Government seeking to **increase number of SME service firms** exporting (Anderson, 2003)
- Indicators: number of firms entering markets **NOT any indicators post entry**
- CRC partners were interested in concept of **long term sustainability**
- Emergence of an idea that supporting **clusters of creative industries** is a characteristic of sustainability in regions

**What actually happens after winning the projects?**

## What are we trying to achieve?

### Project Aim

- Develop a sustainable business model for Australian construction design firms who export

### Research Question

*"How do construction sector design firms internationalise and develop sustainable business models?"*

### Research Objectives

- To identify **policies** and map **processes** that organisations undertake to enter and work in international markets
- To identify difficulties of entering various markets and **successful strategies** used for particular markets
- to develop a **performance measurement model** composed of a consideration of non-economic indicators of social, cultural and intellectual capital measures.

### Paper Aim

- investigate concepts of **firm types**, **internationalisation process** and **firm capital**

## What do we already know?

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- **Internationalisation process**
  - **decision to enter;** survival and growth (Akhter, 1995)
  - **market selection;** regions, customers, psychic distance, political stability, business factors & chance (Crosthwaite, 1998; Johanson & W-Paul, 1975; Terpstra & Yu, 1988)
  - **entry mode choice;** joint ventures, export subsidiary, agent/distributor, direct, licenses, wholly owned (Terpstra & Sarathy, 1991); RAI A study 1998: design competitions, JV, agents & consortia
  - **Factors affecting entry mode:** firm characteristics (Davidson, 1982; Root, 1987), service/product characteristics (Goodnow, 1985) and external environmental factors (Root, 1987 etc)
  - Significant **factors affecting success;** cultural awareness, social and business networks and market knowledge (RAIA, 1998;
  - **Measuring success :** little in the literature (Cooper, 2001)

## What do we already know?

- **Market knowledge:** experiential and informational knowledge (Morgan et al, 2003)
- **Informational:** facts and figures that can be easily and quickly understood
- **Experiential:** how things are done over there and this knowledge accumulation takes time to seep in...



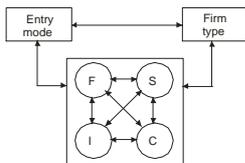
## What do we know?

### Design Management

- **types** of “design” firms
  - service
  - service and product
- activity of the management of design occurs in **various locations** and is interpreted in a variety of ways
  - Within organisations on projects
  - Across organisations on projects
- **cohesion** between project and organisation levels to **support design** at the project level



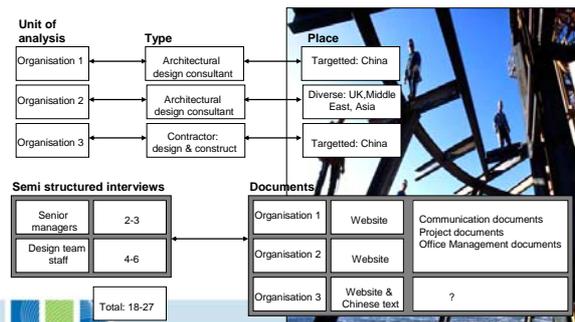
## Social, cultural and intellectual capital/indicators



Capital	Social	Cultural	Intellectual
Organisational / Project Attributes	Member of social / professional networks Establishment of alliances/ form JVs Relationships, local connections	National / International award Project of national significance, track record International competition	Skilled staff members Niche specialisation, expertise Knowledge about country's business/cultural practices



## How are we going to explore this topic?



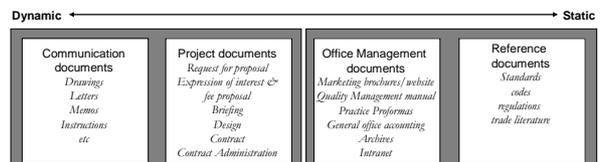
## Data Collection

### Interview Instrument

- Part 1: Participants role
- Part 2: Policies, procedures and performance management (**Senior Managers**)
- Part 2: Project processes (**Design Team Staff**)
- Part 3: **Successful strategies** and inhibitors to success



## Design Document types



### Document Analysis...

- can play a key part in developing an understanding of the acquisition of social capital and an understanding of cross cultural impacts on design management.
- correspondence between organisation and international clients or any international organisation involved on the projects will be analysed.
- correspondence genres (eg: fee proposals, design variations, engagement letters, etc) will be analysed for **text structure to identify similarities and differences in order to enhance intercultural competency** (Zhu, 2000).



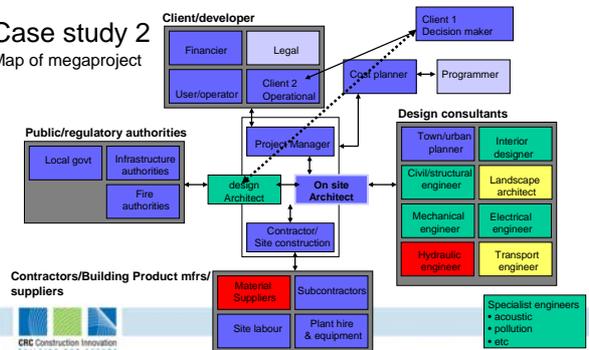
## What are we uncovering?

- **Market entry is not necessarily by design competitions** cultural and social capital play a significant role in winning projects and maintaining clients
- **Market selection is a mix of strategies of market seeking** (proactive: intellectual and cultural capital) and **client following** (reactive: social capital)
- **Different approaches to service provision**; all phases vs masterplanning; **clear vision** of their services and intellectual property (capital)
- **Little distinction** between domestic and international projects in terms of design management processes (!)



## What are we uncovering?

### Case study 2 Map of megaproject



## Future steps...

- **Information**
  - Begin analysis and conclude study Jan 2005
  - 3 industry case studies
  - Industry partner seminars
  - International distribution through journals and conferences
  - Website distribution by govt. agencies
  - Invitations to speak
- **Processes**
  - Organisational awareness and self analysis of social, intellectual and cultural capital
  - Trigger changes for organisations (staff)
  - Better relationships with international clients
  - Marketing: Distribution of findings to clients
- **International Business Policy & advice**
  - Distribution of findings to policy makers
  - More useful advice for organisations

