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Abstract

International developmental and financial institutions provide each year around €100 billion to support the implementation of thousands of projects in transition and developing countries world wide. Finnish companies may bid for open tenders in order to supply goods and services according to tender description and requirements. Some companies use intermediary services in the course of ICB process in order to have better likelihood to win a procurement contract.

The purpose of this thesis is to investigate how Finnish companies participate in procurement tenders through international competitive bidding (ICB) process, which aims at winning contracts for consulting, supplies and works projects. By using the first four phases of the six-stage project marketing cycle, the research goal is divided into three sub-goals: (1) what are various measures of Finnish companies in the first four phases of project marketing cycle: search, preparation, bidding and negotiation. (2) What is the value of intermediary service in the pursuance of procurement contracts. And finally, (3) what determines Finnish companies' successful participation in ICB. The quantitative questionnaire was sent to 423 companies, and 117 companies replied to it. The qualitative part included 29 semi-structured personal interviews with company managers.

In 2003–2005 39 Finnish companies won 122 procurement tenders for consulting, supplies or works projects which reached a total of 213 million euros. Finnish companies have mostly won contracts to projects which have been financed by European Union, the World Bank group and Nordic development fund. The main destination countries are located in East Europe, CIS region, but also East Asian and East and South African regions have been prominent.

The key theoretical framework is built by using project marketing theory. By analyzing the marketing measures of Finnish companies during the first four phases of the project marketing cycle, the following findings were discovered: creating contacts and influencing the project buyer in the search phase form the overall basis for successful bidding. Companies which have prior experience from the ICB do not need to conduct extensive competitive analysis in the preparation phase. The bidding phase creates the second most critical phase for successful bidding. The lowest price is not the sole criteria, and in order to offer a competitive bid a company needs to ensure that required technical specifications are favorable for a company. Negotiation phase only involves an exchange of contracts. Intermediary services are valued more among companies who are less experienced in ICB. The additional value of intermediary service limits to the search phase. After search phase, it is difficult for a company to outsource the bidding. Finnish companies who have succeeded in ICB underline the essence of relational criteria in various phases.

Key words	international financial and developmental institutions, international competitive bidding, procurement, tender, intermediary service
Further information	