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|-------------|---|-----------------|-----------|
| Subject     | International business  | Date            | 23.6.2008 |
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|             |   | Number of pages | 102       |
| Title       | Stakeholder network interaction in building a factory in Russia. Case: Sormat Rus |                 |           |
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Abstract

Russian growing economy provides major opportunities for the Finnish construction material producers. Controversially, there are still various challenges to face while doing business in Russia. The most significant ones are bureaucracy, corruption, constantly changing legislation and the importance of personal networks. Accordingly, in order to save time and capital, it is important for foreign investors to possess the knowledge and understanding of how the Russian business environment and its regulations actually work, who is responsible for what at the each stage of the planned process, and which entity possesses the most saliency and competency in making decisions and solving possible problems.

*The purpose of this study is to examine the network of stakeholders involved in industrial FDI process into Russia.* This main topic is examined through analyzing the related sub-problems:

- *Identification and analysis of key stakeholders.*
- *Evaluation of interaction of key stakeholders in the network from firm's perspective.*
- *Management of key stakeholders by a foreign investor.*

Three key stakeholder groups of FDI process were identified in the interview. These are regional authorities, resource suppliers and business firms, which were separated according to their roles and interests in the investment process. Each of these groups may be additionally divided into smaller stakeholders, which are also described based on the information gained from the interview. Each identified stakeholder was seen as vital for the investment process, and may not be excluded from it.

The main findings of this study include the identification of the stakeholder network interactions during FDI process. It was found that, every stakeholder is interrelated not only with the investor firm, but also with other entities. These connections identify the saliency of each stakeholder in the network and define their functions in the process. An identification and good management of every key stakeholder of FDI process was found to be vital for the success of the investment project. Proper stakeholder management improves the cooperation between the involved entities and decreases possible challenges and misunderstandings. Especially, taking the Russian authorities into account in every decision and careful identification of their expectations towards the firm are beneficial for the investor, and may sometimes save significant amount of time needed for the completion of some process or objective.

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| Key words           | stakeholders, networks, interaction, management, FDI, Russia |
| Further information |  |