



University of Applied Sciences of Eastern Switzerland



Consulting Project China Market Analysis
for M&M Militzer und Münch International
Holding AG

Market Analysis of Logistic Services for the New Silk Road

In 2013, China's President Xi Jinping announced the massive USD 900 billion investment programme Belt and Road Initiative (BRI) to build an infrastructural network which connects Asia, Europe and Africa. This is expected to have a major impact on businesses. Thus, the aim of this project is to identify possibilities for M&M to benefit from BRI.

M&M Militzer & Münch International Holding AG

M&M is an internationally operating company in the logistics sector with its headquarters in St.Gallen. It is a sub holding of the TransInvest Group which consists of independent companies operating especially in Europe and Asia. M&M was founded in 1880 as a rail freight forwarding company in Hof, Germany. Nowadays, the company counts over 100 branch offices in 30 countries worldwide. The company's turnover in 2016 amounted to EUR 517 million.

Proceeding

After running a first phase of desk research, the project team used Breakbulk China, Asia's largest event for the project cargo and breakbulk industry, to contact first potential interview partners. This was crucial to build up networks in relation-oriented China. During the field work in Shanghai, the project team gained new insights and information to be investigated. This was done through further desk research and interviews. Finally, the last phase served to

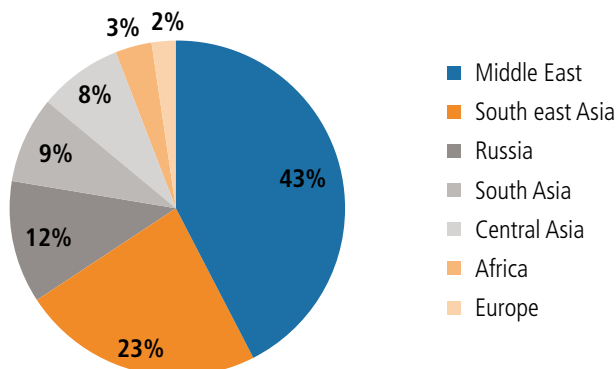
bring the findings together and develop an approaching strategy for M&M.

Results

BRI projects are mainly contracted by specific types of companies in China. Thus, a crucial point was to discover how to cooperate with these companies. During the research, it became evident that there are several peculiarities in the Chinese business world which differ significantly from Switzerland. Analysing these, the project team could identify valuable information about what impact these peculiarities have on M&M. Furthermore, the project team collected significant data about the most promising investment regions along the six BRI corridors. However, regarding the massive investment volume, also regions with fewer investments might thrive in the future as an implication of the BRI investments. Finally, the project team used these findings to develop several recommendations regarding each of the six BRI corridors for M&M.

www.fhsg.ch/praxisprojekte

Allocation of BRI investments to the regions



Allocation of BRI investments to the regions
Source: own illustration based on The Economist Intelligence Unit (2016).

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Client

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The joint Chinese/Swiss project team was well positioned to handle the challenges of analysing the segment of Logistics Services of the major Belt and Road Initiative of the Chinese Government. They have encountered many obstacles in getting information while staying determined and motivated to deliver results. Their work has provided us with valuable information for deciding on our future strategy.

FHS coach

Mathias Kleiner, MBA



SHU coach

Dr. Heidi Hui Yan



The project team showed a solution-oriented approach and managed all the different challenges throughout the project very well. They outlined in a comprehensive way the opportunities and risks from selected Belt and Road Initiative corridors. The well-founded analysis and recommendations helped the client to make the right business decisions.