



## JCSP Joint Chinese Swiss Program Market Research for Bauwerk Boen Group (BBG)

**Project Team (f. l. t. r.) in front** Utchawara Wongphrachan, FHS St.Gallen; Laura Schmucki, FHS St.Gallen, Project Leader; Eren Oezcelebi, FHS St.Gallen; **behind on screen** Juntao Feng (Aries), Shanghai University; Pei Li (Cassie), Shanghai University; Cui Min (Regina), Shanghai University; Mengxin An (Ann), Shanghai University



# Flooring the right footprint and reclaiming growth prospects for BBG in China

While Europe's wooden flooring market is rather saturated, China offers great growth potential. The project evaluated market entry strategies either by BBG as a stand-alone, or by acquiring an existing player, being famous for its high-end and eco-friendly products. Within this due diligence the potential of these products in Europe was also assessed.

## Proceeding

The JCSP team carried out a market system analysis, including most relevant KPI in China's luxury wooden floor market, through desk research. Based upon this, relevant target groups were identified in order to acquire suitable interview partners. The conducted interviews provided a deep understanding of the Key Success Factors (KSF) of China's luxury wooden flooring market. These findings were matched with the insights we gained from the executive due diligence of the takeover candidate, in particular the company's core competencies and likely synergies of the acquisition.

## Results

The project team analysed the current situation in the Chinese wooden flooring market. Thereby, the market volume, main players, trends and key success factors of the Chinese wooden flooring market were analysed. Additionally, the most important touchpoints and influencers

were assessed with a view to making a recommendation.

Based on these findings, two entry strategies for Bauwerk in the Chinese luxury market were developed by means of conducting a corporate valuation of a takeover candidate as well as conducting SWOT analyses covering the strategic options for China and DACH, as well as stand-alone and acquisition.

Finally, two entry strategies were carried out. One points out how BBG could enter the Chinese luxury market in a stand-alone approach. In the second strategy, the acquisition of the takeover candidate was evaluated in order to profit from its specific know-how and already existing market approach, in particular its network. This will enable BBG to assess likely strategic fits, and contributions to its bottom line, either with or without an acquisition.

[www.fhsg.ch/praxisprojekte](http://www.fhsg.ch/praxisprojekte)

## Bauwerk Boen Group (BBG), St.Margrethen / Hong Kong

...was founded through the merger of Swiss Bauwerk Parkett AG and BOEN AS with its origins in Norway. While mainly two-layer parquet is sold under the brand Bauwerk, its second brand, Boen, complements the portfolio with three-layer parquet. Boen has already gained a foothold in China. Therefore, the goal of this project is to develop an entry strategy for Bauwerk in the Chinese luxury wooden flooring market as a part of redesigning BBG's Chinese strategy.

## Client

Bauwerk Boen Group (BBG), St.Margrethen / Hong Kong

Klaus Brammertz, CEO

[www.bauwerk-group.com](http://www.bauwerk-group.com)



Our Chinese/Swiss project was about a potential acquisition of a Chinese based international market niche specialist. The students developed all elements of the company's valuation, including base market niche research which was both very demanding and delicate, also. This study has been excellent work for us and will support our decisions for the next steps in this business.

## FHS coach

Dr. Stefan Nertinger



## SHU coach

Dr. Heidi Hui Yan



Through using a profound methodical framework and outstanding engagement, defying COVID-19, the team was able to manage the project's complexity and to find reasonable, well-founded answers, and strategic options helping BBG to make the right decisions.

	Valuable	Rare	Non-Imitable	Organization	BBG's		
					Impetus	Ability	Scalability
Sourcing: process and quality check	x	o	o	x	May be reproduced by BBG		
Sourcing: ideas and creativity (R&D)	x	x	x/o	o	Need for Knowhow Transfer		
Designer network and sales approach	x	x	x/o	o	Need for Knowhow Transfer		
Product quality and assurance	x	o	o	x	Matches BBG's CC		
Customer service, responsiveness	x	o	o	x	Need for Knowhow Transfer		

x = fulfilled, x/o = more or less fulfilled o = not fulfilled

CC: Core Competency

Assessment of Core Competencies

Source: own illustration