



What we have learned from the analysis

- Internationalization has been gradual
- Denmark was the first regulating world markets
- Tough competition in the wind energy industry

Suggestions for the future

- Environmental Responsibility
- Need to continue to develop high technology skills
- Need to maintain Denmark as market's reputation



Change Entry Mode in Time

5 star theme

There are considerable perspectives on potential for success in China

Factors influencing Chinese market entry

Advantages: Foreign manufacturers have struggled to gain market share in China due to low prices and competition from domestic companies

Disadvantages: Political and legal barriers to enter Chinese market share

Entry Made in China

Once industry moved into offshore

During the 2000s, the company began internationalization via a subsidiary located in Beijing, China, resulting in entry into that market

Since: Large scale entry

Example: Vestas received a 3.6MW order in Beijing, China on 29 October 2010



Internationalization

Access to a new market

The market which they started in Denmark began to get saturated and if they wanted to expand they had to seek opportunities to move into new country

- India (1987)
- Germany (1989)
- Sweden (1992)
- USA (1993)
- Spain (1994)

Determinants of Internationalization

The Kind of Entry Mode

Export vs. Local Production

Joint Venture vs. Wholly Owned Subsidiary

Acquisition vs. Greenfield Investment

Sustainable Competitive Advantage

Internationalisation Strategies

2MW variant turbines

New flexible service offerings

Competitive Advantage

- Porter's Five Forces Model
- Market leader
- Blue ocean
- Demand

Vestas

- Founded in 1945
- Green energy from the 1970's
- Largest in the industry with 12.1 in 2013
- 85% of all installed capacity today worldwide
- Focus on China

Competitions

Vestas was one of the first firms to produce energy from wind power

It was first competition from nuclear power plants

- GE
- Siemens

Which is why they needed to internationalize (other national wind turbine makers chose)



Local Economies

They had to keep up the demand of the consumers by changing the way they do business

They had to invest operations closer to the customers

They which whether there is dependence on making sure the consumers can afford the most

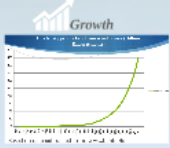
Profit Advantage

- 14% from Asia Pacific
- 26% from Americas
- 60% from Europe

(Vestas Annual Report, 2008)

Proximity to customer

They had to internationalize from Denmark as they are close to many other European countries, it would be difficult for them to maintain market share by staying within Denmark



Chinese wind turbine market

By 2010, China was the world's largest wind turbine market

China's wind turbine market is growing rapidly

China's wind turbine market is growing rapidly

R&D Centre

Research and Development Centre

Research and Development Centre

Support an local company

Support an local company

Support an local company



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- Blue ocean
- Demand



2MW variant turbines

New flexible service offerings

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- Starting to develop in the 1970's

- Growing Industry

- Major Competitors

- Major 'green energy' nations

- Megawatt (Gigawatt)

- Mwhours



