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A case study on a Canadian automobile company (Linamar Corporation) expansion to European market specially in Poland by join venturing to international strategies

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ABSTRACT

Linamar Corporation is Canada's second-largest manufacturing company that operates globally. It is a publicly traded automobile parts manufacturer. It dominates manufactures and supplies products to automotive and industrial markets. Linamar has two divisions, Powertrain or Driveline and Industrial. Through partnering via joint venture with ArcelorMittal, Linamar can enter a new emerging European market like Poland. The opportunity, market entry strategy, international strategy, FDI and financing are important in these perspectives.

Keywords: International, Automobile, Emerging, Entry, FDI

1. OPPORTUNITY

Poland's automotive industry is growing rapidly and has become one of the most important manufacturing sectors in Poland accounting for 11.1% the total value of the country's production according to the International Trade Administration. In addition, according to the CIA world factbook, "Poland has the sixth-largest economy in the EU and has long had a reputation as a business-friendly country with largely sound macroeconomic policies".

Poland also has one of the cheapest labour costs within Europe (Trading Economics, 2021) and lower standard corporate tax income rate of 19% with a 9% rate for 'small taxpayers' with revenues of up to 1.2 million euros a year (PWC, 2021). This therefore makes Poland a cost-effective industry for capital investment with capacity of the Polish automotive market as one of the largest in the EU and creates a unique opportunity for Linamar to further expand their global reach by entering into the automotive industry in Poland.

Market Entry Strategy

The recommended market entry strategy that Linamar ultimately decided to

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pursue is a joint venture. Linamar would initiate a joint venture with ArcelorMittal, the largest steel producer in Poland. With a renowned global presence, the use of a joint venture would benefit Linamar to gainexposure into Poland's market. ArcelorMittal will enable Linamar to ensure they are compliant with government entry requirements which in turn decreases political risk (Morris & Oldroyd, 2020). Furthermore, ArcelorMittal will be able to provide insight on ideal distribution strategies, vital consumer insights, along with necessary local-market related skills. The use of a joint venturecan allow Linamar to tap into Poland's educated workforce while maximizing their potential in one of the best locations for automotive ventures (A.4).

International Strategy

A transnational strategy was selected for the international strategy of Linamar entering Poland. We believe that having the ability to be both locally responsive and globally integrated gives Linamar the best opportunity for growth as they expand into Poland.

2. FDI FINANCING

FDI has positive impacts where sovereign debt issues and sluggish demand are putting pressure on European economics like Poland. Linamar global integration would lead to benefits ofeconomies with current FDI Confidence Index 1.41. It has a number of limitations on different levels of step in- host government regulations, international licensing bodies and local business competitors, however, it boosts the manufacturing market; service sector annual growth and it has higher return but higher risk and more uncertainty for worldwide product and service. Internationalization Activities of the Company.

"Linamar Corporation is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products" (Linamar, 2020). The company has shown that their manufacturing solutions are adaptable to foreign markets and the ever-changing landscape of the world. During the beginning of the COVID-19 pandemic, they were able to adapt their manufacturing processes to aid in the production of ventilators (Linamar, 2020 & CBC News, 2020). Their internationalization activities include their desire to grow globally, acquire new resources and technology to further meet the needs of the global market and diversify to remain competitive in the market. They are currently headquartered in Guelph, Ontario, with operations throughout Canada, USA, Mexico, Brazil, Spain, United Kingdom, France, Germany, Hungary, Bulgaria, India, China, Japan, South Korea and Australia.

Upon completion of Linamar's SWOT analysis (A.3), it was established that one of the largest weaknesses is their dependence on few customers and low loyalty among those customers. In 2019, their three largest customers accounted for 23.6%, 12.8% and 6.6% of the company's total revenue (Globaldata PLC, 2020). As such, it would be ideal to expand their customer base in a new foreign market to attract more customers.

In addition, one of Linamar's current threats is other international operations including Magna International according to Owler. By expanding their operations internationally, they are able to mitigate the threat of Magna International and other competitors. When reviewing potential emerging markets in which Linamar could enter, Poland was one of the top considerations.

Poland's automotive industry is growing rapidly and has become one of the most important manufacturing sectors in Poland accounting for 11.1 % of the country's production according to the International Trade Administration. With a population of 38 million people, Poland's GDP amounted to $594.2B USD with its manufacturing sector contributing 22.4% of the country's GDP in 2020 (Poland Advanced Manufacturing, 2021). In addition, according to the CIA world fact book, "Poland has the sixth-largest economy in the EU and has long had a reputation as a business-friendly country with largely sound macroeconomic policies". In 2019, the PolishGovernment launched its Industry 4.0 Platform which aims to increase innovation, automation, and data exchange amongst manufacturing technologies (Poland Advanced Manufacturing, 2021).This focus will allow Linamar to not only contribute to Poland's GDP through foreign direct investment, but also aid in innovation efforts within the manufacturing sector as a part of its jointventure with ArcelorMittal.

When analyzing Poland on various indexes, the World Bank ranked Poland 40th on ease of doing business while Canada ranked 23rd out of 130 countries (Ease of Doing Business, 2019). Poland and Canada both placed in the top third, and with Linamar's experience in expanding into international markets there is no doubt Linamar will be able to excel within the economic environment in Poland. Moreover, when observing the World Bank Governance Indicators, it wasfound that Poland received a score well above 60 for all categories ranging from: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption – all of which are vital to ensure the prosperity of Linamar in Poland (Worldwide Governance Indicators, 2020).

Through conducting an OLI and SWOT analysis, Poland offered various location advantages from cheap and skilled labor to various regional and national operation programs, along with lower standard corporate tax rates (A.4). Most Hofstede comparisons remained similar to Canadian culture, however, a CAGE analysis indicated there were cultural differences regarding uncertainty avoidance and individualism (Figure A.3). Considering Linamar will be predominantly working within the manufacturing automotive sector, it is important to ensure morale through adapting to cultural norms.

Ultimately, through considering political, economic, and social environments, entering the automotive manufacturing sector via joint venture is the best course of action for Linamar to expand into a new and emerging market.

3. MARKET ENTRY STRATEGY

The recommended market entry strategy that Linamar ultimately decided to pursue is a joint venture. Various market entry strategies include advantages and disadvantages, however, after utilizing numerous theoretical frameworks the company concluded a joint venture will enable thecompany to be prosperous.

Linamar would initiate a joint venture with ArcelorMittal, the largest steel producer in Poland. Arcelor and Mittal merged in 2006 and have since formed ArcelorMittal, one of the world'sleading steel companies. ArcelorMittal concentrates almost 50% of the Polish steel industry andthe operations in Poland accounts for the second largest sales in ArcelorMittal's European operations (Automotive and mobility, 2021). The company is one the world's five largest producersof iron ore and a leading supplier of quality steel – both of which are widely used inputs in theauto manufacturing sectors. Considering steel is the largest component in an automobile, byweight, a joint venture with a steel company can allow Linamar to gain a competitive advantage (Automotive and mobility, 2021). Since ArcelorMittal Poland's principal consumers are in theautomotive industry, the exposure to innovation, and research and development, will aid in smartersteels that will offer better strength, safety, and higher levels of efficiency and sustainability(Automotive and mobility, 2021).

With a renowned global presence, the use of a joint venture would benefit Linamar to gain exposure into Poland's market. The use of a local partner, ArcelorMittal, will enable Linamar to ensure they are compliant with government entry requirements which in turn decreases political risk (Morris & Oldroyd, 2020). Furthermore, ArcelorMittal will be able to provide insight on ideal distribution strategies, vital consumer insights, along with necessary local-market related skills. The use of a joint venture can allow Linamar to tap into Poland's educated workforce while maximizing their potential in one of the best locations for automotive ventures (A.4). Although there are possible risks that may pose a threat to a joint venture, we believe a collaboration amongst ArcelorMittal's automotive segment will mitigate some of those risks. A joint venture will only be established for one of ArcelorMittal's segments ensuring there are no clashing objectives or dangers to core business operations. As a result, the joint venture will be split 65/35 between Linamar and ArcelorMittal, respectively. In turn, ArcelorMittal will be closely aligned with one of its largest consumers by receiving the latest automotive manufacturing insight to meet growingdemand, and a wider access to markets and channels. Both companies are known to have knowledgeable human capital and through combining resources synergy, innovation and economies of scale will be prevalent within the automotive and steel manufacturing industries in Poland. This in turn meets Poland's Industry 4.0 Platform objectives as innovation will be encouraged amongst members of the joint venture to further enhance the manufacturing sector within Poland.

4. INTERNATIONAL STRATEGY

The international strategy that we have selected for Linamar is a transnational strategy. We believethat having the ability to be both locally responsive and globally integrated gives Linamar the bestopportunity for growth as they expand into Poland. One of the reasons why Linamar should adoptthis strategy is because it aligns with their operating philosophy. Linamar strongly endorses a culture of diversity and collaboration. Employees from all locations are expected to contribute suggested innovations every year (Linamar, 2021). Linamar has established an innovation team toassess these ideas and integrate them across business operations (Linamar, 2021). The company has organized its divisions within different countries to create "centres of excellence" (Linamar, 2021). Each facility within that division is operated as a separate profit centre managed by a general manager who has discretion based on broad guidelines established by head office to determine the best course of action for the market they operate in (Linamar, 2021). This includes factors, such as the production process, sources of supply and which customer contracts to perform(Linamar, 2021). The independence of each facility within a division allows the company to reactswiftly to new business opportunities in that market. It also allows operational decision making and cost control to occur at both the group and facility level which thus allows for effective monitoring of each profit centre (Linamar, 2021). The company encourages each group to use costattack teams (CAT) to promote efficiency, cost reduction and continuous improvement (Linamar,2021). These ideas are then shared with other divisions of the firm.

This framework already established by Linamar works perfectly for a transnational strategy as there are general companywide guidelines however each facility is also given the freedom to adaptto local markets and then coordinate and exchange information

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with other facilities to make moreinformed decisions. Linamar has globally standardized products but this strategy would allow for their new facility in Poland to develop and share innovative ideas with the rest of the company. This leads to information flow across borders which benefits the entire organization. Adopting thisinternational strategy would be the best way for Linamar to capitalize on their existing operationalframework in the most efficient and effective manner. With a transnational strategy Linamar can aggregate their products across global markets as they are generally standardized but they also have the ability to adapt to any potential needs for the Polish market specifically.

A second reason why Linamar should adopt a transnational strategy is because an opportunity identified in the SWOT analysis (Table A.1) was the potential to enter into new markets while a threat was competitors catching up with technology innovations. Linamar can take advantage of this opportunity by entering a country (Poland) with a growing automotive industry and mitigate the threat by focusing on driving innovation within each division and then integrating it within theentire company to stay ahead of competitors. Also, when analyzing the OLI framework for this opportunity, it was apparent that Poland had two distinct location advantages. One is that the country has a cost-effective, abundant and skilled workforce in the automotive industry. Over 30,000 people in Poland study engineering majors such as mechanics and mechanical engineering, which ensures the proper inflow of top-level staff for the automotive industry (Bulinski, 2010). Another location advantage is that Poland is regarded as one of the five best locations for automotive ventures in Europe, in part to the unlimited access to the EU market infrastructure (Bulinski, 2010). Further, from our PEST analysis (Table A.2), one of the technical issues for Linamar was the shortage of skilled engineers and technicians needed to keep up with demand fornew technologies. By using a transnational strategy to enter Poland, Linamar can tap into the largesource of talented human capital and leverage the local knowledge of the industry professionals in Poland to add to their commitment of constantly innovating and create a pipeline of skilled workers.

Another reason why this strategy should be adopted is because it can help Linamar establish and maintain a position as both a cost leader and differentiator giving them a sustainable competitive advantage. By establishing cost attack teams, the company is able to share cost-saving techniquesand production efficiencies learned in one location with the entire organization. This can help theentire company reduce their operational costs. Also, by encouraging each division to generate innovative ideas each year, as well as their willingness to adapt to local market needs will help Linamar to improve their position as a differentiator in the industry through their unique engineering and manufacturing capabilities. Based on our international strategy we recommend that Linamar employ a multidivisional organization structure. This structure will allow Linamar tosegment their divisions based on the product they offer and the geographic location they operate in. This structure will also help Linamar to effectively standardize global production while also meeting specific local market needs.

5. FDI FINANCING

FDI has classified its 'inward flow' for foreign investors toward a long-time interest. Poland's economy is based on supply chain and product availability for a global firm like Linamar. COVID 19 has endured the most uncertainty where businesses will invest in resources to support their international market. Companies will have multiple suppliers from around the world manufacturing their products and services (Manjuris, 2021). Linamar market strategy for Poland in a contest of opportunities and risks: AAA and PEST. It implies portfolio investment strategy for consumer and competitive sales 2020-2019: Europe 1/2 times of Canada and twice of other North American countries and its Europe sales opportunities are significantly higher than the AsiaPacific [Table 1].

Table 1: Linamar Sales Market Analysis (USD)

Sales	Canada	Rest of North America	Europe	Asia Pacific
2020	3,047,420	936, 206	1,801,063	565,252
2019	4,176,326	925,650	2,377,346	469,342

In the contest of GDP per capita in USD for Poland 29,600, EU 15,656 and Canada 43,100. FDI in Poland's economy has market segmentations, liability of foreigners, and derivative financial instruments. Overall corporate outcomes of Linamar in 2019 Q4: Sales +5.5%, Gross Margin +38.5%, Operating Earnings +96%. For 2020 Q4: Sales -21.6%, Gross Margin -26.0%, Operating Earnings -32.1% (Annual Interim Report, 2021). Non-equity (franchising, licensing) modes are used to minimize Forward Exchange, credit, liquidity risks and equity modes (joint ventures) have higher capital market risks.

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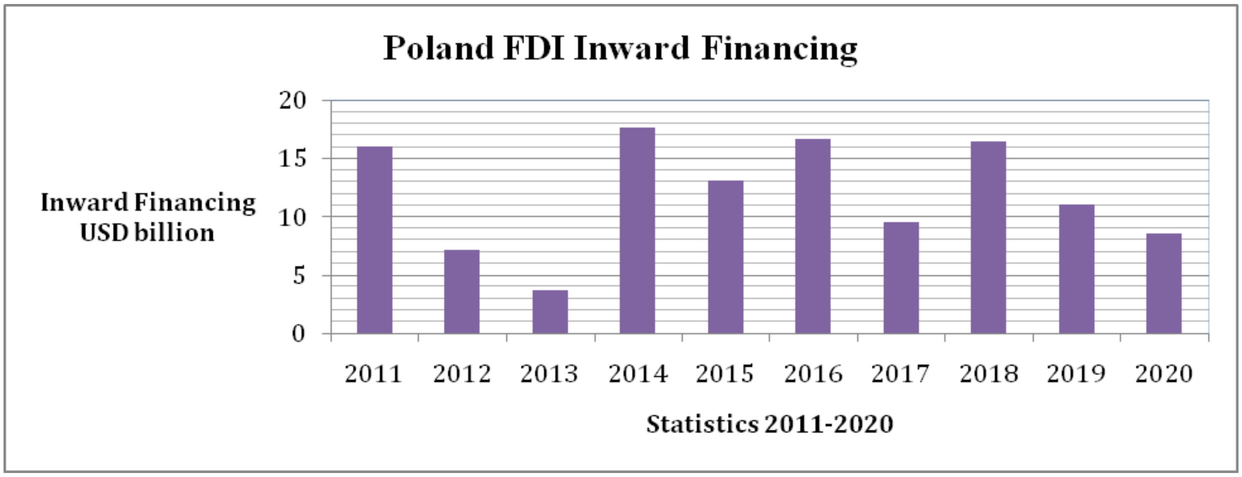

Figure 1: FDI financing as inward (USD billions) funding in Poland Economy

Watching with bicameral inputs of FDI and Portfolio investments (securities in foreign market), Linamar can determine how well-suited its current influential brands and upcoming brands are tocapturing growth and therefore what strategic goals to set for them. Essential firms like Linamar are going to reintroduce health restrictions, fueling fears etc. for COVID 19 (Paul H, 2020). It can fixup new business models, product strategies, external partnerships, and market segmentations togenerate exciting new portfolio growth either with company personnel or through licensing (Nidhi A, at el, 2020). Linamar Poland's strategy manages differences in customer demand, currency requirements and EU policies. Derivative Financial Instruments, Poland Gold coin impacts on USD and EUR cross currency interest rate, debt principles are used to play market risk. FDI dynamic responsiveness of Poland government authorities has inward (Poland Statistics inward finance-2011-2020) international trends with better customer platforms (Figure 1). Poland's globalintegration impacts on COVID 19 for reducing inward funding in 2020 (Figure 1) and it leads to the feasibility of economies with the current FDI Confidence Index 1.41 (min 0.96 in 1990 and max1.68 in 2006). Multidomestic, Meganational and Transactional concepts aggregate current GDP growth 2.42%, average2.95%, min 0.93% in 1990, max 6.23% in 2006. FDI strategies needglobal warehouse facilities, committing technologies, money and people applying on USD and Euro cross currency interest rate swap contracts, centralized mixed economic planning and government regulations. For January 2021, Linamar received EUR 320M in funding through its 2031 Notes as net investments hedge, which is indicated in Linamar's consolidated financial statements for the year ended December 31, 2020. A portion of Linamar's financial instruments are held as long-term receivables totalling $373.5m at March 31, 2021 compared to $376.4m at December 31, 2020. Long-term receivables are primarily made up of financing loans for the sale of industrial access equipment which decreased by $12.1m to $222.4m, financing loans for equity method investments which increased by $6.7 m to $117.9 m, and receivables for government assistance which increased by $2.1m to $30.1m. Subsequent to Q1 2021, Linamar received payment of $132.6m of long-term receivables from a customer. Linamar's strategy, risks and presentation of its financial instruments remain substantially unchanged at the end of 2021 Q1.

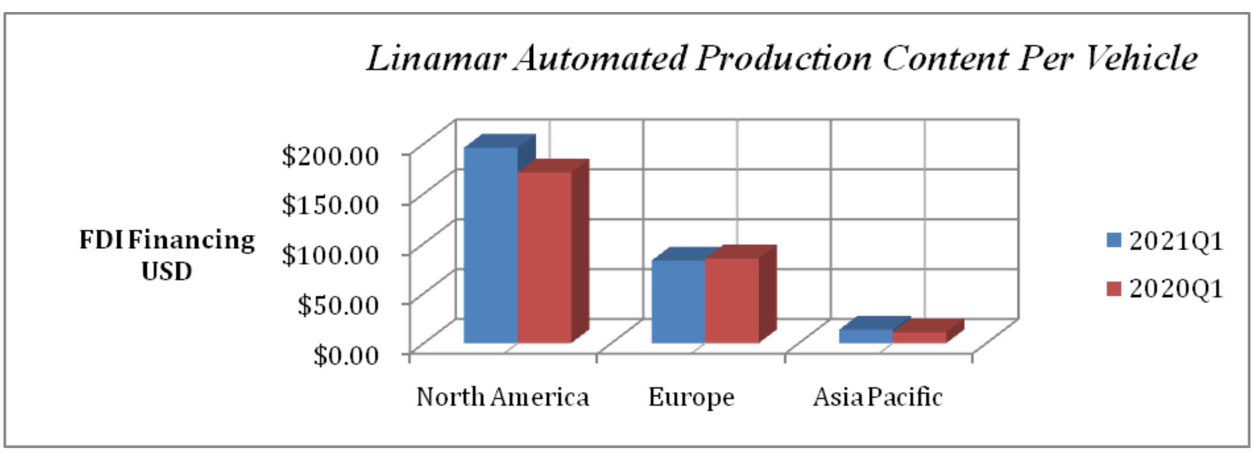

Figure 2: FDI Financing (USD) for Linamar automated production per vehicle

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Linamar vehicle production units for 2021Q1: North America 3.74, Europe 9.67, Asia Pacific 10.9and 2020Q1: North America 3.89, Europe 4.71 and Asia Pacific 8.23 [Figure 2]. For the Delta variant of COVID-19, FDI fluctuations to the economic transition of Poland and EU shrank a significant amount, their lowest level since 2006 (UNCTAD, 2021). It has been uprooting the global economy.

Linamar sales for Q1 2021 were $1,781.9m, up $232.1m from $1,549.8m in Q1 2020. The Industrial segment ("Industrial") product sales increased 16.5%, or $49.3m, to $348.3m in Q1 2021 from Q1 2020. Sales for the Mobility segment ("Mobility") increased by $182.8m, or 14.6%in Q1 2021 compared with Q1 2020 (Linamar Interim Annual Report, 2021). The COVID-19 crisishad a negative impact on the European industry as well. The foreign direct investment in the U.S. and European Union fell by 61% and 29% respectively (Martin A., 2021). FDI has positive impactswhere sovereign debt issues and sluggish demand are putting pressure on European economics like Poland. Linamar has foreign direct investment in Poland to increase its sales profits. It has a number of limitations on different levels of step in- host government regulations, international licensing bodies and local business competitors. It boosts the manufacturing market; service sectorannual growth and it has higher return but higher risk and more uncertainty for worldwide productsand services.

For joint venture concept, Linamar has better opportunities in Europe than Asia but more challenging than the North America.

6. SUMMARY

Linamar should expand to a new international emerging market in order to continue their internationalization activities and remain competitive. They can do so by partnering via joint venture with Arcelor Mittal to enter Poland. Poland has been identified as a market with potentialin the automotive sector. Through a transnational strategy and FDI Linamar could be successful in entering the polish automotive market. FDI has positive impacts where sovereign debt issues and sluggish demand are putting pressure on European economics like Poland.

Table-A.1: SWOT Analysis

Strengths	Weaknesses
• Success of new product mix	• Low loyalty among customers
• Market leadership position	• Declining market share
• Skyjacks	• Fixed business goals
• MacDon	• Dependence on few customers
• Strong brand recognition	• Business performance: transportation
• Ability to adapt (ventilators during pandemic)	
• Rising stock price in 2021	
• Territorial presence	
• Focus on R&D	
• Debt reduction	

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Opportunities	Threats
• Expanding new markets • New technology • Increasing government regulations makingit difficult for new entrants • Local collaboration • Positive outlook for hybrid vehicles • Contracts and agreements	◎ Risks from international operations ◎ Foreign currency fluctuations ◎ Changing political environment (Trade Relation between US and China) ◎ Competitive pressure with evolving technology ◎ Changing demographics and buying behaviours

Table A.2 – PEST Analysis

Political	Economic	Socio-cultural	Technological
• Safety regulations • Frequent changes in Polish Legislation (Artman & Cherniavska, 2020). • Lack of a dialog-oriented platform between investors and the Government (Artman & Cherniavska, 2020). • Poland is the largest recipient of grants from the European Union budget (Artman & Cherniavska, 2020).	• One of the cheapest labour costs within Europe with minimum wages €614.08 per monthin the first quarter of 2021(Trading Economics, 2021). • Lower standard corporate tax income rate of 19%and a lower 9% ratefor 'small taxpayers' with revenues of up to 1.2 million euros ayear (PwC, 2021). Cost-effectiveindustries for capital investment with capacity of the Polish automotive market as one of the largest in the EU.	• The Poles are one of the hardest working nations in the world (2nd in Europe, and 8th in global ranking) (David, 2021). • Labour shortages due to its anti- migrant view (Santora, 2019) andaging population. • Economic inequality (find proof) • Poland is one of the largest consumer markets amounting to about 38 million people (Artman & Cherniavska, 2020).	• Introduction of innovative technologies into the national infrastructure (Artman & Cherniavska, 2020). • Shortage of skilled engineers and technicians needed to keep up with demand for new technologies.

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Table A.3 – CAGE Analysis

	Cultural	Administrative	Geographic	Economic
Country Pairs (Bilateral)	• Different official languages (Polish vs English). • Majority religion is Catholicism. • Drastic difference in Hofstede's uncertainty avoidance & power distancescores (Figure A.3.).	• Lack of colonial ties in Canada &no formal colonial tiesin Poland. • Lack of common currency (Canadian Dollar vs Polish zloty). • Freedom House scores for Canada &Poland, 98 and 82, respectively. • Both nations are politicallystable and apart of NATO.	• Canada is 6578 KM away from Poland. • Poland is 6 hours ahead of Toronto. • Poland and Canada both have working/improved infrastructure – more progress to bemade in Poland.	• Poland has a GDP per capitaof $16,656USDas of 2020, while in Canada, the GDP per capitais $43,258USD as of 2020. • Population below povertyline 9.4% and10.6% in Canada and Poland, respectively. • Ageing societyand shrinking labour force.
Countries: Unilateral & Multilateral	• Poland's people claim Polish nationality, with Polish astheir native tongue • The country's official language, Polish - various dialects • Overwhelming majority of thePolish population is Roman Catholic, although thereis no official religion • Poland is among the	• Poland's growth has been driven by strong domestic demand, dynamic exports, improved productivity, foreign investment, astable banking system, and a significant inflow of EUcohesion funds • Member of European Free Trade Association(EFTA) andCentral European Free Trade Agreement	• Greatly improved transport infrastructure since 2010, with hundredsof kilometres of new motorways, faster inter-city trains, better logistics • 2 hours from UK by plane • Poland is bordered to the north by the Baltic Sea, to the northeast by Russiaand Lithuania, and to the east by Belarus and Ukraine. To the south the border	• Poland has builta system of incentives (bothdomestic and from EU sources) to encourage foreign investment; both from European Union Funds and domestic sources • Poland has developed a network of labour inspectors. Trade unions are legal, employees are allowed to strike

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	most uniformly Catholic countries in theworld	(CEFTA). Poland also has bilateral treaties withthe Baltic States, Turkey and Israel. ● Politically stable and member of the EuropeanUnion and NATO ● Polish zloty isthe common currency	follows the watershed of the Beskid (Beskidy), Carpathian (Karpaty), and Sudeten (Sudety) mountains, which separate Poland from Slovakia and the Czech Republic,while to the west the Neisse (Nysa Łużycka) and Oder (Odra) rivers definethe border with Germany	but onlyunder the conditions set out in relevantdomestic legalacts. ● Domestic labour law is compliant withthe EU regulations, including thoseon anti- discrimination. ● Ageing societyand shrinking labour force

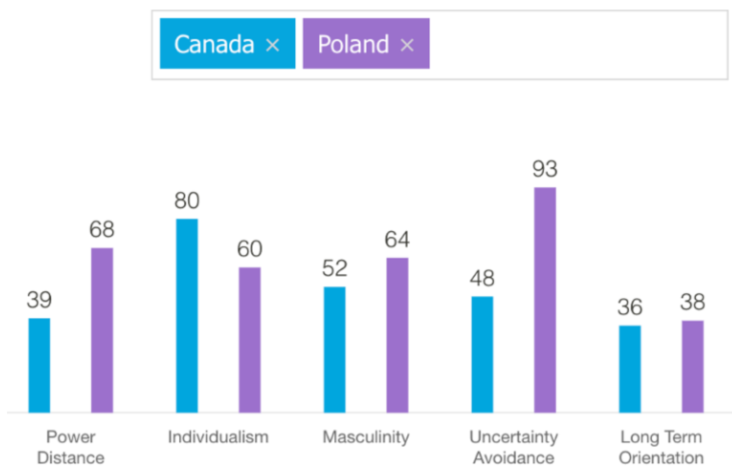

Figure 3 – Hofstede Comparison between Poland and Canada)

Analysis of OLI (Owner, Location, Internalization)
Ownership Advantages:
Brand:
Strong global engineering and manufacturing capabilities make Linamar the leader in product value, full system integration, and time to market to meet a wide range of electrification applications (Linamar, 2020). They are a tier 1 supplier to the automotive markets (Linamar, 2020).

Technology:
Linamar’s extensive manufacturing capabilities enable the company to produce precision metallic power train systems, advanced aerial work platforms and durable industrial and agricultural assemblies (Linamar, 2020). Linamar has a diverse range of capabilities that are continually evolving to better meet the needs of a global market (Linamar, 2020).

Production Process:
They are global leaders in manufacturing solutions and world-class developers of highly engineered products (Linamar, 2020). The company has been in the business since 1964 and has established industry leading production processes (Linamar, 2020).

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Location Advantages:

Cheap and abundant labour/skilled labour:

Poland offers relatively inexpensive but highly-qualified human resources and a long-standing tradition in the industry (Bulinski, 2010). The workforce in the automotive industry in Poland arewell-educated and efficient (Bulinski, 2010). The country provides a complex network of cooperative relations and availability of sub-suppliers (Bulinski, 2010). Poland has established a system of education preparing for work in the automotive sector. Approximately 200,000 thousand people study in secondary technical schools (Bulinski, 2010). Over 30,000 people study engineering majors such as mechanics and mechanical engineering, which ensures the sufficient inflow of top-level staff (Bulinski, 2010).

Infrastructure:

Poland is regarded as one of the five best locations for automotive ventures in Europe (Bulinski, 2010). This is in part to the unlimited access to the EU market infrastructure (Bulinski, 2010). ThePolish car industry is based on foreign investment.

Government Incentives:

Poland has had a huge supply of European Union funds to provide funding to companies (Bulinski,2010). They also have regional and national operation programmes (Bulinski, 2010). They also provide exemptions from CIT and property tax (Bulinski, 2010).

Internalization Advantages:

Linamar owns many of the different segments of the value chain. Linamar has 60 manufacturing facilities across 17 countries (Linamar, 2020). Through decades of experience in the industry, Linamar has industry leading manufacturing expertise, design capabilities, and infrastructure. Linamar also has 12 R&D centres (Linamar, 2020). These R&D facilities focus on process, productand material development (Linamar, 2020). They also own and operate 25 sales offices to help identify the right markets and provide customer support after sale to their customers (Linamar, 2020). Linamar is also a business to business supplier (Boothe, n.d.). The company produces components or complete assemblies depending on the customer requirements and then directly distributes these components or assemblies from its manufacturing facilities to its customers in theautomotive industry (Boothe, n.d.). Linamar also governs and manages the risk of the parts of theirvalue chain that need to be outsourced through their supplier quality manual (Linamar, 2020). Thismanual ensures that their current suppliers follow health and safety regulations, legal guidelines and meet the product quality required for Linamar's standards (Linamar, 2020). Linamar further controls the quality of their resources and reduces the provider risk by pre-business audits suppliers to ensure conformance to industry standards and guidelines prior to entering into a new supplier relationship (Linamar, 2020). Ongoing audits are further conducted to maintain quality standards (Linamar, 2020).

AAA Analysis

In brief, adaption describes alignment of a Poland liberalization business model to local differencesin responding to different needs, demand, supply and culture; adaption is the percentage of sales on advertising. It increases revenues and market share. According to Poland protectionist market policy, aggregation leads those differences by introducing the similarities of regions to achieve economies of scale, joint venture business and aggregation is the percentage of sales on R & D. Arbitrage is a way of exploiting differences in the paradox of globalization, rather than adapting to them or bridging these three components and it is the percentage of sales on labor. It contains value chains in Poland regional and global markets, and coordinates EU treaties by big business law firms.

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This study has not received any external funding.

Conflicts of interests

The authors declare that there are no conflicts of interests.

Data and materials availability

All data associated with this study are present in the paper.

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