
Short Description and Poster

Influence of Techno Economical and Emotional Factors for Decisions on Industrial Environmental Investment Projects

Purpose

The purpose of the research is to investigate into practical influencing factors on decision-making processes for industrial - and particularly environmental - projects and to find non-economic factors of critical influence for investment decisions beside the classical factors of investment calculation and to evaluate their importance for the decision in comparison to the latter.

Design

The thesis is divided into two parts, the first part develops a model based on the practical typical example of an environmental investment in Riga Latvia, a biomass power station and describes the investment decision of the project, shows the capital expenses “Capex” and operational expenses “Opex”, the sensitivities of the cost and revenue figures and shows their influence and the influence of non – quantitative and cultural factors for the investment decision taken in the years 2000 and 2001.

The second part of the study is based on the analysis of literature exploring the theoretical structure of entrepreneurial and managerial decision taking especially focussed on industrial environmental investments, cultural influences, resource dependence and relational assets. An explorative analysis of narrative interviews with experts of public and private sector, practical experience in long-term investment decisions shall illustrate, prove and complete the outcome of theoretical background of the related literature.

The problem oriented interviews were made in Latvian language by master students of political sciences of the university of Latvia “Natalija Pilipjonoka und Anete Valtere”, analysed by them, then they were translated into German and will be analysed with the specific scientific focus on the topics described above.

Findings

The expected findings will show the influence of internal or external factors like e.g. personal interest, political importance, pressure groups, laws and regulations, environmental limitations, cross cultural effects etc. will have equal or more importance for an investment decision as the factors of classical investment calculation.

The findings could show special factors that typically influence environmental investment projects and also qualitative influences that could perhaps be interpreted to be more important for a successful techno economical and enduring investment than generally expected.

Research Limitations/ Research Implications

The research is focussed on projects in the area of environmental protection as a topic of current interest and as an example for industrial projects. Other industrial segments probably show different particularities.

Due to cost and time reasons, but also to avoid culture bias, the interviews were made in a certain geographical area. They were held in Latvia by Latvian nationals. The transcripts were translated into German by a local translator. Factors that are not compliant with local law or international regulations are not expected to appear within the findings of this research.

Practical Implications

Financing institutions, companies and decision takers in public structures are strongly

interested in how strong also sometimes less visible non-economic, cross cultural and emotional factors influence an investment decision: e.g. political influences, relational assets (as John H. Dunning, B. Boyd described 2003) or resource dependence of companies (according to B. Boyd, 1990), etc..

What is Original, What is the Value of the Paper?

Until so far there is little investigation into practical influencing factors on decision-making processes for industrial - and particularly environmental - projects since the scientific interest has been focussing on quantitative, measurable variables and probably the examination of non-economic decision factors depends additionally on some operative insight. The value can be found in scientific deepening of research into important, obvious, hidden, psychological, legal, technical, political and/or other relevant non-economic decision effecting factors and in practical application of the findings in industrial tendering processes.

Keywords:

Investment Decision Factors, Industrial Tendering, Relational Assets, Resource Dependence, Investment Decision, Cross Cultural Management

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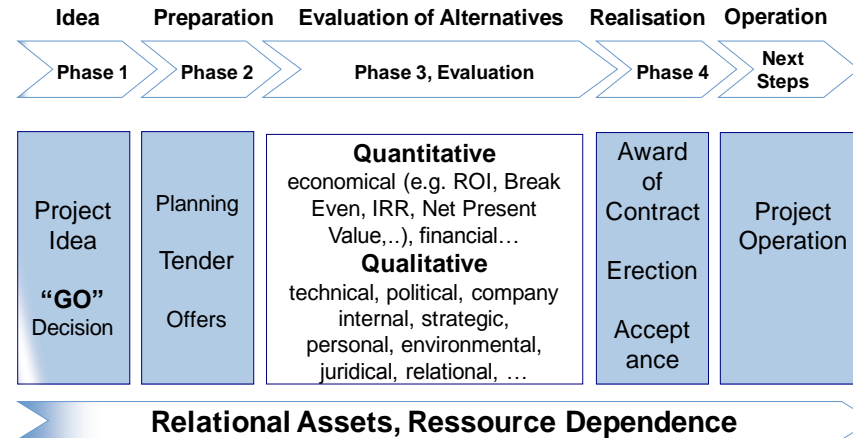
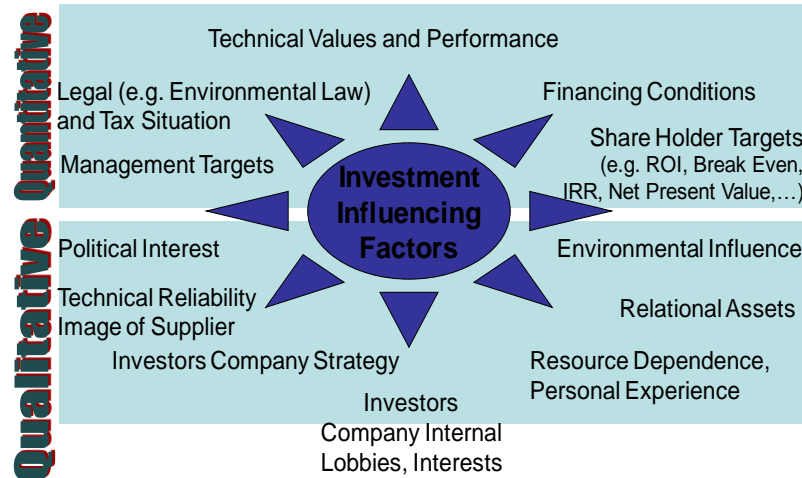
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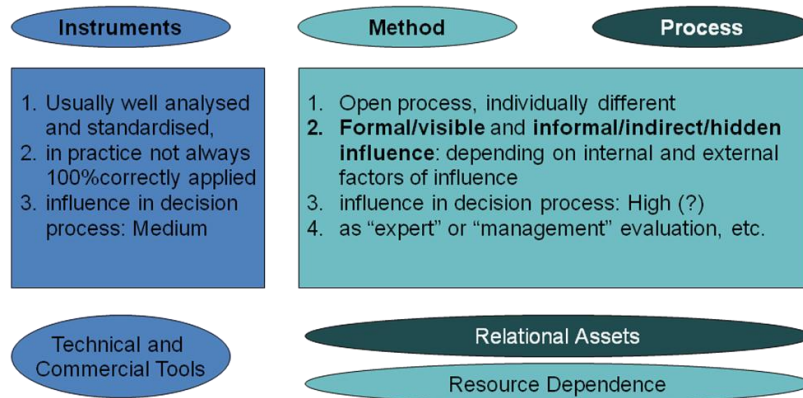
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Poster: Influence of Techno Economical and Emotional Factors for Decisions on Industrial Environmental Investment Projects





- **Phases of Investment Decision Taking Process**
- **Quantitative and Qualitative Decision Factors**
- **Characteristics of Tools, Methods and Process Influences**

