



SUMMER 2003

Export Sales Up by £650,000

Support for marketing research visit leads to quick success...

Coats Holdings PLC has increased its sales of upper closing threads (the visible stitching on footwear) by £650,000 since conducting an export marketing research visit to the Far East. In the same period, it has increased sales of bottom threads in China (the heavy duty braid used in footwear manufacturing) by 30%.

The huge growth in export sales has been achieved after Sales Director, Norman Whiting spent three and a half weeks in China, Thailand, Indonesia and Vietnam researching the footwear manufacturing industry. "One of the benefits of the Trade Partners UK support," explains Norman, "is that it gives you the freedom to carry out a detailed analysis of the market. Without its



financial backing, it would be impossible to invest this amount of time and energy into an exercise that, by its very nature, will not produce an immediate return."

It is an investment that has clearly paid off, however. As a result of the market intelligence gleaned in China, which accounts for 65% of the world's footwear manufacturing, the company has begun supplying threads to the children's shoe division of a major footwear manufacturer. It is a testament to the added value service provided by Coats that it has succeeded in winning the business in the face of cheaper competitor products.

"We have been able to demonstrate to manufacturers that using cheaper threads is a false economy, which can result in downtime when the threads break, product returns and wastage. Coats Holdings supplies pre-wound bobbins which save manufacturers time and produce a 10-12% increase in productivity. In addition, we offer expert consultancy in seam engineering, helping manufacturers resolve quality issues and improving overall productivity and performance."

Norman is in no doubt about the benefits of in-depth field research as part of a market entry strategy:

"It provides an invaluable insight into the way the market operates. People see that you are taking their market seriously and you can begin to build relationships. It is really important not to cut corners as that very corner could contain the vital piece of information that you need to make the export strategy succeed."



Get Together in Greece

Subcontracting in Serbia, technology-transfer in Turkey, representatives in Romania... just some of the potential partnerships that could be forged at the Balkan and Black Sea Partnership 2003 in Thessaloniki.

This intensive two-day event (17-18 November) is an opportunity for UK businesses to get together with companies from across Europe to discuss joint initiatives. Any company can pre-arrange to meet any other company to discuss business link-ups, including joint ventures, technical and marketing agreements.

Companies from four key sectors will be represented at the Balkan and Black Sea Partnership - **building materials and construction; food and drink; clothing; and machinery, equipment and tools**. The full list of host companies includes representatives from Greece, Albania, Bulgaria, FYR of Macedonia, Turkey, Ukraine, Georgia, Romania, Serbia and South Russia. Visiting companies will come from all over Europe.



For more information about the event and to register your interest in attending contact John Harrison, National Counsellor UK on 02476 694484, email j.harrison@britishchambers.org.uk, or visit the Export Zone at www.chamberonline.co.uk

Companies interested in **Syria, Jordan and the Lebanon** have the opportunity to meet potential partners at EU-Mashrek Partenariat in **Damascus on 23-25 October 2003**. Sectors featured include textiles, IT, food processing, construction and tourism. Further details are available from Steve Baker at s.baker@britishchambers.org.uk

Lights, Camera, Action...

Asking the right questions is crucial to effective marketing research. Trade Partners UK support for export marketing research helped Paul Mansell, a partner in Central Film Facilities, to elicit the most useful information by expert questioning. But that wasn't the only benefit of using the scheme, as Paul explains:

"It gave me credibility. When you are talking to organisations like the British Film Office in Los Angeles, it is an advantage to say that you have the support of the British Chambers of Commerce. People are more inclined to take you seriously if they see that a respected British institution has already done so."

Central Film Facilities provides vehicle props and facilities to the TV and film industry. The company also designs and builds specialised camera tracking vehicles which help to prevent camera shake during filming. It was keen to ascertain the potential market for hiring film facilities to American film companies shooting in Europe.

"I had used the Trade Partners UK scheme once before and knew how



Central Film Facilities equipment used in a TV comedy sketch.

valuable it would be in helping me to formulate a comprehensive research project and in providing funding for the visit. It helped me to focus on the important issues and gave me useful guidance on how to conduct the research. Without this level of financial support, I would not have been able to achieve such a detailed insight into the market."

Contacts made as a result of the research project have proved useful to the ongoing development of Central Film Facilities:

"In this business, you don't expect results overnight," explains Paul. "It can take five years to put a film together, but if your

name is in the frame from the outset it can be a real benefit. As a result of the information we collected, we also developed a website. From that, we were commissioned to supply equipment for a leading car commercial. Three different elements of the production team in three different countries were able to see exactly what we could supply without the need for face-to-face contact. The advertisement was filmed in Scotland with a truly international crew, including me from Shropshire." This demonstrated some of the early benefits to Central Film Facilities of implementing the research findings.

Ask the Experts... The Advantages of Doing it Yourself

Overseas marketing research is the foundation on which to build a sound market entry strategy. It is also be useful for companies looking to re-evaluate their strategies in existing markets. Companies may be confident in tackling desk research, which can yield useful background information about the marketplace but, for inexperienced researchers, the prospect of carrying out field research can be daunting. However, the advantages are considerable:

Open Door

The most obvious benefit of "in-house" research is that no-one else knows your product or service better than you do. That puts you in a great position to examine in detail the opportunities that a particular marketplace presents. Once you have completed your research, the door is likely to remain open and, when

you are ready to go back and develop the market, the contacts you met should be willing to see you and hear how you intend to enter the market.

Unwritten Rules

Credibility is a major factor in any marketing research exercise. You are demonstrating to people that you are willing to listen to what they really want from a supplier, as well as assessing how the market works and what the culture demands. Much of what you find out makes up the unwritten rules of business in your target country. By doing the legwork yourself, you are well-placed to gain an insight into these cultural sensitivities.

Realities of the Market

Having had extensive discussions with people on the ground, you can be confident that the strategy you are setting

out to implement is based on sound knowledge of the the realities of the market, including advantageous information about competitors and forthcoming contracts. This puts you in a strong position to negotiate with potential partners. It can also help you to secure investment or bank financing.

Grant Assistance

The UK government recognises the importance of marketing research and the benefits of a visit to the market, and provides grant assistance through Trade Partners UK. Any company or trade association can contact the export marketing research team at BCC for advice on planning and carrying out an in-house research project. The team can also advise on eligibility for funding support. **For more information contact: 02476 694484 or email emr@britishchambers.org.uk.**

Scheme User Wins Export Award

Congratulations to ASG Services Ltd which scooped a top export award less than a year after using Trade Partners UK support for export marketing research, delivered by BCC.

ASG Services won the International Trade Development category in the annual Manchester Chamber of Commerce Business Awards. The company was also named as "Member of the Year" and came runner-up in the "Best Small Business" category.

ASG designs, manufactures and installs warehouse-related identification products, such as rack/shelf edge labels. After identifying a gap in the American market, MD, Tony Gresty carried out fact-finding visits to Atlanta, Washington, San Diego and Columbus, backed by Trade Partners UK: "The scheme requires you to deliver against a pre-agreed set of criteria," says Tony. "It is



only when you have completed the project that you realise why this is so important. In the light of our research findings, we have opened

an office in Atlanta, with a full-time member of staff. Already we are exporting £90-100,000 of products and we plan to open a manufacturing plant in the US, funded from profit, within 48 months. We also received invaluable support from British Consulates and overseas Chambers. Thank you to everyone who has helped us to develop our international markets."

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BANK OF SCOTLAND
PAYMENT & INTERNATIONAL SERVICES

BANK OF SCOTLAND FINANCIAL FOCUS Tools for Trade

For companies wishing to expand their business interests overseas, arranging settlement for international trade can be fairly straightforward as payments can be made electronically or by cheque. But that doesn't always mean that a company's money is working to its full potential. With exchange-rate movements, and confusing payment and cheque charges, it can be difficult to know if you are using the most suitable products and services. A currency account allows for the regular receipt and remittance of payments in the same currency, thereby assisting with the management of exchange-rate exposure. Available from most major banks, they can be broadly categorised as current accounts or investment type accounts, which may incur maintenance fees and have a minimum balance requirement. Bank of Scotland, however offers an all-purpose currency account, which has no maintenance fee nor minimum balance requirement.

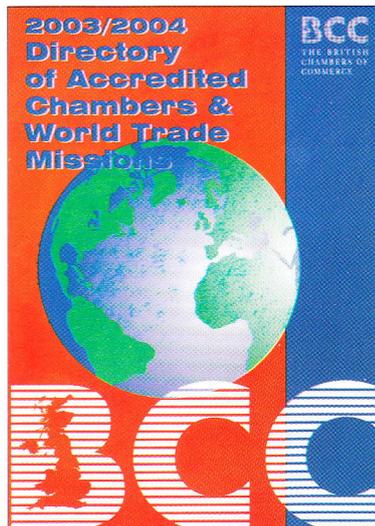
A Euro-specific payment service could offer a convenient settlement option for continental customers. Bank of Scotland's European Receipts Service allows European importers to make settlement locally to a specific bank in their country thus avoiding often expensive, cross-border charges. It is also prudent to consider the documentary services available to afford some degree of security for obtaining international settlement. For more information on Bank of Scotland's international products and services, call 0845 300 0006 or visit www.bankofscotland.co.uk/international.

Bank of Scotland subscribes to the Business Banking Code, copies of which are available on request. Head Office: The Mound, Edinburgh EY1 1YZ.. Information is available in large print, audio and Braille on request; please call for details. You may contact us using Type Talk.

On a Mission

Chamber-led Trade Missions are an ideal introduction to worldwide markets, providing an opportunity for exporters to visit an overseas market as part of a group of like-minded business people. Experienced mission leaders are on hand throughout to help companies get the most from the event and assist them in following-up opportunities that arise. Grants are often also available to help with the travel costs.

A detailed programme of forthcoming missions is published in the annual Trade Missions Handbook, available from your local Chamber or by contacting BCC on 02476 694484 or enquiry@britishchambers.org.uk... Full details are also available on our website - visit www.link2exports/cc and select the country you would like to



visit for vital market information and details of forthcoming missions.

Gateway to Japan

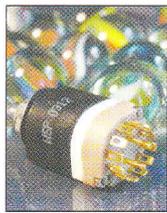
The EU Gateway to Japan campaign offers European SME's, which are new to the Japan market, financial support and advice on visits to Japan with sector focused trade missions and trade fairs. Jane Dawson of Birmingham Chamber of Commerce coordinates the campaign in the UK: tel 0121 450 4205 or email j.dawson@birminghamchamber.org.uk. More information is available on www.eugatewaytojapan.org and at the "Your Gateway to Japan" event to be held at Birmingham Chamber on 11th September 2003.

Catalyst for Growth

Partenariat proved the catalyst to help Wasp Switches gain entry into the lucrative German marketplace.

A year after attending the 2002 Partenariat event in Dortmund, the company has appointed its first German agent. It follows the recent appointment of a French agent and marks the start of a major European export campaign.

Wasp Switches, which designs and



manufactures rotary and membrane switches and touchscreens, had been trying hard to break into Europe over the last two years. Partenariat enabled the company to meet a concentration of

potential agents and end users during two days of pre-arranged face-to-face meetings. "Where else could you meet so many potential partners in such a short space of time?" asks Sales Director, Derek Beecher.



useful. For example, we met other visitor companies who were interested in our products or shared similar problems. The investment in time and money is small and the potential results are considerable. My advice to any company attending a Partenariat event for the first time is to listen to every suggestion, however small, as it may prove really useful later. It may be something as minor as cultural advice, but it could make the difference."

For details about forthcoming Partenariat events visit the Export Zone at www.chamberonline.co.uk.

"The results of Partenariat are not immediate - it has taken us over a year to agree the appointment of our new German agent. However, all of the contacts we made in Dortmund have proved

Talking the Same Language



Helping exporters overcome barriers to international trade is an objective shared by both the Regional Language Network

and Trade Partners UK.

The former exists to raise awareness of the importance of international communication skills as a key business tool. The latter, through export communications reviews, carries out detailed audits of the way individual companies communicate with overseas customers and makes tailored recommendations for improvement. In the North East of England, RLN and BCC have joined forces to provide a comprehensive package of assistance to exporters facing language and cultural issues. It is a significant problem in the region - 20% of companies know they are losing business in international markets due to a lack of language skills and cultural awareness. Almost half (46%) recognise that there are language barriers that affect their ability to trade overseas.

Senior Executive, RLN North East, Zélie Guérin (pictured above) comments:

"Working closely together, RLN NE and the export communications consultant can help businesses develop language and cultural skills to increase their competitiveness."

An initial review costs just £50 (plus VAT) and is available to UK businesses with fewer than 500 employees and which have been trading for two years or more. **For information, contact Robin Godfrey or Paula Cooper on 02476 694484 or visit the Export Zone at www.chamberonline.co.uk.**

Get on Board e-Cert

Don't get left behind - that's the warning from the team at British Chambers of Commerce responsible for new electronic certification systems.

e-Cert made the system of applying for European Certificates of Origin available online to UK exporters for the first time. It has revolutionised the process, reducing the time it takes to apply from days to hours. At the end of last year, a-cert was added, bringing the same benefits to British businesses exporting to Arab League Nations.

However, this is just the start of the process, as BCC's Maggie Chilton explains: "We are working towards an entirely paperless procedure, which is why we are urging companies to get on board now, at the start of the process, so they are not left behind. Currently, we are providing in-depth training to help companies become familiar with the system. It is the ideal time to sign up."

The benefits of online certification are enormous. Not only does it reduce the time taken to process the application, but it also eliminates the need for someone to visit their local chamber office to hand over the documentation. The system is accessible 24-hours a day, and, if there are errors or omissions, these can be highlighted and the form returned the same day. Both e-cert and a-cert use SITPRO-aligned invoicing systems and the system stores information which takes away the need for repetitive data entry. Certificates of Origin cover goods being exported from the UK and are essential to comply with customs requirements, as well as meeting banking and other commercial criteria. **For more information about e-cert and a-cert, telephone Maggie Chilton or Steve Baker on 02476 694484, or visit the Export Zone at www.chamberonline.co.uk.**



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