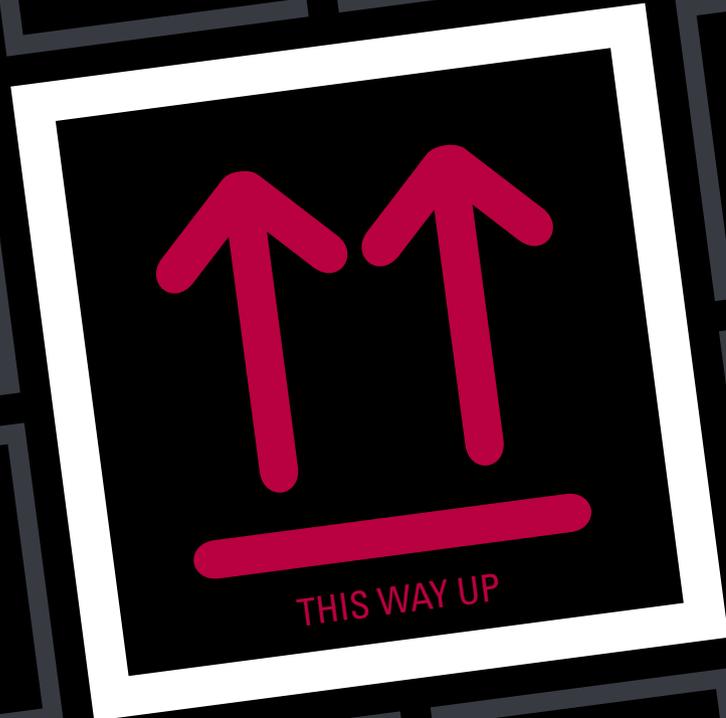




ACCESSING INTERNATIONAL MARKETS

From Surviving to Thriving: Doing Business Overseas





We want to help you to **unlock your international business **potential** and **thrive** in an international marketplace.**

Sir Andrew Cahn KCMG, UKTI Chief Executive

Exporters enjoy levels of **growth and economies of scale not possible domestically. In fact for many it is the crucial difference between **surviving and thriving**.**

Sir Andrew Cahn KCMG, UKTI Chief Executive

From Surviving to Thriving: Doing Business Overseas

Foreword

The UK has always had a reputation for being a strong trading nation. What is less well known is that exports contribute significantly to the UK's economy, accounting for nearly 30 per cent of our GDP. Additionally, British exporters account for 60 per cent of UK productivity growth and over 70 per cent of UK business research and development.

As well as being good for the economy, exporting also makes good business sense. Our research tells us that firms that export see their productivity increase, achieve stronger financial performance and are more likely to stay in business than those that don't.

Put simply, exporters enjoy levels of growth and economies of scale not possible domestically. In fact for many it is the crucial difference between surviving and thriving.

The good news is that many UK companies, no matter what their size or sector, have products and services that are in demand globally.

Yet, despite all these advantages, relatively few UK companies export - just one in 25, according to recent statistics.

A key part of the role of UK Trade & Investment (UKTI), the government department that helps British companies succeed in the global economy, is to help firms navigate the issues that come with accessing new markets, so that they can achieve their export potential.



That's why UKTI has joined forces with the Institute of Directors (IoD) to find out directly from companies how it feels to be involved in doing business overseas. We need to understand the current challenges SMEs face so we can make the experience smoother for existing and potential exporters. This report presents these findings, together with case studies, expert advice and practical know-how.

We want to help you to unlock your international business potential and thrive in an international marketplace. We hope that this report will help us achieve this together.

A handwritten signature in black ink, appearing to read 'A Cahn'.

Sir Andrew Cahn KCMG, UKTI Chief Executive

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ABOUT THIS REPORT

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“We are going to get out of this recession by trading our way out, by businesses deciding to create wealth and to go after new markets, to export.”

Rt Hon David Cameron, Prime Minister

From Surviving to Thriving: Doing Business Overseas is a report compiled by UK Trade & Investment, based on a survey entitled ‘*Doing Business Overseas*’ that was conducted in conjunction with *Director* magazine during July and August 2010. *Director*’s readership is comprised of IoD members and there were 230 responses. Organisations young and old took part; approximately a quarter had been established for five years or less, 19% between five and 10 years, 20% between 10 and 20 years and a third for 20 years or more.

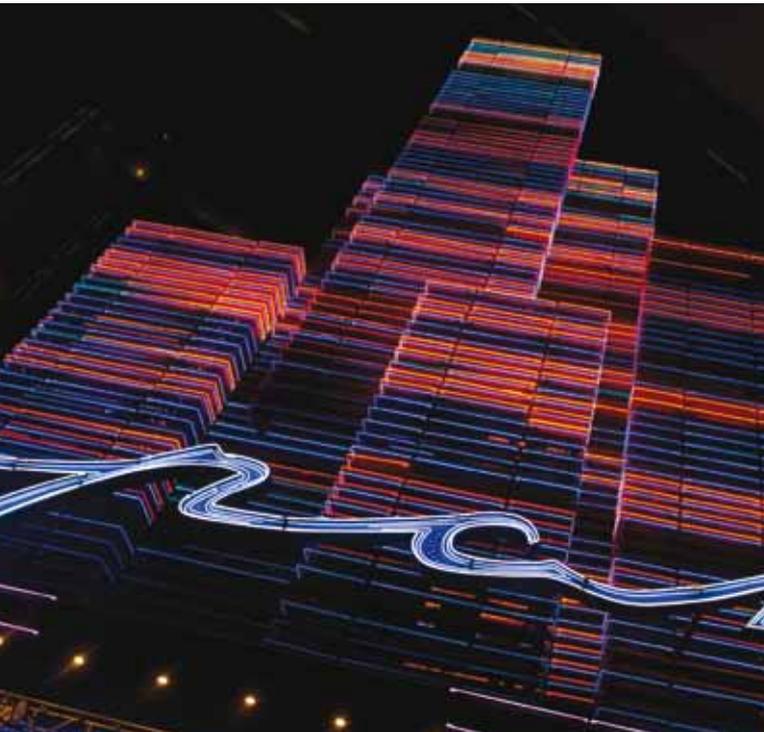
Small and medium-sized enterprises (SMEs) were the primary respondents, and came from a range of sectors. Just over three quarters (77%) had a workforce of fewer than 50 people, while five per cent were larger businesses with over 250 employees. This is a similar profile to the UK business population as a whole. Seven out of 10 respondents worked in a business with a turnover of £5 million or less. A further fifth (21%) had a turnover of between £5 million and £50 million. The remainder who gave a response had a turnover of more than £50 million (six per cent).

An online version of this report, which includes hyperlinks to other useful sources of information, is available at: www.ukti.gov.uk

We would like to extend our sincere thanks to all respondents and interviewees for their time and insights.

EXECUTIVE SUMMARY

The *Doing Business Overseas* survey results paint a positive picture of British exports. Despite the global economic slowdown, the vast majority of exporters remain confident about the future and plan to export more over the next 12 months. Most companies that responded to the survey are currently exporting and others say they might export in the future. The majority expect the number of countries they deal with to increase over the next three years, and having a British brand was regarded by most as an advantage when trading overseas.



The key findings of the report are as follows:

- The UK's SME exporters are upbeat about the future. Three quarters of respondents (75%) plan to export more over the next twelve months. Overwhelmingly, companies expect the number of countries they deal with to increase (79%).
- Conducting business overseas is a catalyst for innovation, with companies developing new and modified products to meet the needs of international customers. Just over three fifths of respondents (62%) claimed that they develop new products and services when doing business overseas and an even higher proportion make changes or modifications to existing products or services (72%).
- The European Economic Area (EEA) was the region most organisations exported to first, mentioned by over half of respondents (55%). Other regions were mentioned to a much lesser degree, with the US and Canada coming in as the second most likely markets to be approached first (15%). The more distant regions tend to be included at a later stage in the exporting timeline.
- When asked to identify which markets they would like to export to next, most companies mentioned the Middle East and Asia (27% each for both). Russia and Eastern Europe were also favoured markets for exporting in the future (24%).
- The vast majority of exporters that responded to the survey (80%) had done business in more than one country. Most (32%) were trading in between two and five countries.
- The majority of respondents felt that exporting improved their company's profile and credibility (63%).

WHY SHOULD I EXPORT?

54%
OF FIRMS
ACHIEVED
AT LEAST
ONE
SIGNIFICANT
BENEFIT
FROM
DOING
BUSINESS
OVERSEAS

38%
ACHIEVED
A LEVEL OF
GROWTH
NOT
OTHERWISE
POSSIBLE

30%
UTILISED
THEIR
CAPACITY
MORE
FULLY

28%
WERE
EXPOSED
TO NEW
IDEAS

22%
INCREASED
THE LIFESPAN
OF THEIR
PRODUCTS/
SERVICES

Source: UKTI International Business Strategies, Barriers and Awareness Monitoring Survey 2010 (OMB Research, June 2010)

WHY SHOULD I EXPORT?

The case for exporting is a compelling one. Research shows that firms that export increase their productivity by 34% in the first year alone. They achieve stronger financial performance and are 11% more likely to stay in business¹.

Exporters open their doors to a vast number of potential customers, reducing their dependence on a single market or small number of markets. In the European Union alone, there are nearly 500 million people to sell to and a GDP of approximately US\$19,000 billion².

However, fast-expanding markets, (often referred to as 'emerging markets') with growth rates and commercial opportunities far outstripping their established counterparts, can also hold the key to sustained success in the changing world economy. By 2030, 93% of the world's middle class will live in what are currently termed 'emerging markets'.

Companies that are internationally active give themselves the best chance of continued success and achieve a level of growth that would not otherwise be possible. They use their existing capacity more effectively and expose themselves to new ideas. Exporting increases the commercial life span of a company's products or services and increases the returns that companies achieve from their investment in R&D. For many UK companies, export revenues are an increasingly important source of funds for investment in new product development and innovation. Midlands-based RNA Automation has used exporting as an opportunity to diversify into new markets through product development (see box on page eight).

IN THE EUROPEAN UNION ALONE, THERE ARE NEARLY
500 MILLION PEOPLE TO SELL TO
AND A GDP OF APPROXIMATELY US\$19,000 BILLION

¹ Harris, R. and Q. Cher Li (2007), Firm Level Empirical Study of the Contribution of Exporting to UK Productivity

² Eurostat, 2009



”

“International trade is more important than ever and exploiting the opportunities of fast-growing markets in Asia and Latin America is vital to the UK’s economic future. The difficulties and risks of operating in these fast-changing markets are less than the risk of not participating in their growth.”

Miles Templeman, Director General, Institute of Directors

WHY SHOULD I EXPORT?

Continued



CASE STUDY

NEW PRODUCTS, NEW RECRUITS AND A GROWING NEW MARKET

In four years, RNA Automation, which manufactures automatic parts-handling equipment for high volume production, has seen its export sales soar from zero to over £400,000. The Castle Bromwich company is now taking on new staff as a result of export orders to the US.

RNA Automation has been working closely with a local UKTI International Trade Adviser who assisted with all aspects of its overseas trade development. The company has won orders in the US medical, pharmaceutical, cosmetics and automotive sectors. It is appointing three new trainee engineers to help it fulfil the orders and is turning its attention to new export opportunities in the Republic of Ireland.

Sales Manager, Andy Perks commented: "Export is key for us, due to the decline in manufacturing in the UK. We view export to the US as an opportunity to gain share in a wider marketplace and, also, to diversify by developing new products. By looking at other areas of the manufacturing market, we have been able to introduce new services to our client base both here in the UK and overseas. These include robotic handling systems and a lean manufacturing consultancy. This has helped us to maintain our sales revenue throughout the recession."



Which type of exporter are you?

“At the British Chambers of Commerce we tend to categorise exporters into four types:

1. Strategists –

companies that see exports as part of their business strategy. They are clear where the business is going financially and have a clear plan of how to get there. Market research plays a vital role in the development of overseas markets and growth is slow and steady.

2. Adaptives –

companies that are starting to formulate a plan for export but have no clear picture of which markets they will target. They are willing to adapt their marketing materials, products and services, as required, and are also committed to market research.

3. Reactives –

companies that develop their exports in response to opportunities that arise. Overseas trade is uncertain, but exciting and it changes rapidly. They tend to use market research to find out about companies that contact them.

4. Passives –

companies that do not have export as part of their business plan. Overseas orders may come to them unsolicited, but these companies are unwilling to provide anything that is not on their product list.

The respondents to the *Doing Business Overseas* survey show a great willingness to develop new products and services, or to adapt existing ones, indicating that there is a high percentage of ‘Adaptives’ amongst the sample.

I would encourage any company that recognises itself as an Adaptive, Reactive or Passive exporter to develop its export skills still further to become a Strategist.”

Robin Godfrey
Manager, Export Marketing Research Scheme,
British Chambers of Commerce

THE UK IS ONE OF THE **TOP TEN** LARGEST TRADING NATIONS – EXPORTS ARE VITAL
 SCOTLAND'S WHISKY EXPORTS ARE EARNING THE UK A WHOPPING **£97** PER
 UP TO **3.5 MILLION** UK JOBS ARE LINKED BOTH DIRECTLY AND INDIRECTLY TO THE COUNTRY'S TRADE WITH
 EXPORTS CONTRIBUTE **60%** OF UK PRODUCTIVITY GROWTH. EXPORTS CONTRIBUTE **60%** OF UK
 ONE IN FOUR JOBS IN THE UK IS LINKED TO BUSINESS OVERSEAS, AND
 OUR EXPORT-LED RECOVERY IS WELL UNDERWAY. FOR EXAMPLE

Did you know?

Exports contribute 60% of UK productivity growth.

The UK is one of the top ten largest trading nations – exports are vital to our national prosperity.

One in four jobs in the UK is linked to business overseas, and up to 3.5 million UK jobs are linked both directly and indirectly to the country's trade with the EU.

Our export-led recovery is well underway. For example Scotland's whisky exports are earning the UK a whopping £97 per second.

TO OUR NATIONAL PROSPERITY. THE UK IS ONE OF THE TOP

CONTRIBUTE 60% OF UK PRODUCTIVITY GROWTH. EXPORTS CONTRIBUTE

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THE EU. ONE IN FOUR JOBS IN THE UK IS LINKED TO BUSINESS OVERSEAS, AND BETWEEN 3 AND SECOND. OUR EXPORT-LED RECOVERY IS WELL UNDERWAY. FOR EXAMPLE

THE RESEARCH FINDINGS



An encouraging picture

Seven out of 10 respondents to the survey (69%) said their organisation currently exports and a further fifth (21%) said that while they haven't yet exported, they might do so in the future. Only five per cent were either no longer exporting or had never exported and were not planning to.

While it was the larger and more established organisations that were more likely to export, it is encouraging that just under a third (32%) of organisations formed less than two years ago said they currently export, and 58% of companies with fewer than 10 employees are current exporters. This compares with 80% of organisations that are 10 years old or more and 84% for companies with 50 or more employees.

Exporting is not the sole preserve of large, well-established companies, as the example of Dusky Moon shows (see box on page 13). This young company with a great product and a global mindset has achieved phenomenal overseas sales in just 19 months.

DREAM TEAM

Two sleep-deprived mothers have turned a simple idea to stop their young children from rolling out of bed onto the floor into a major international business, Dusky Moon.

Amanda Allerton and Venetia Fuller invented the Dream Tube, a fitted sheet with side pockets containing long, inflatable tubes that act as a soft, but effective bed guard. After getting a local seamstress to mock up a prototype, with inflatable inserts sourced from China, the friends took their product to be safety tested. With some simple modifications, the Dream Tube received British Safety Standards accreditation and Amanda and Venetia began marketing the product. The company won its first order from children's retailer JoJoMaman Bébé.

That was in 2009. Nineteen months later, Dream Tubes are sold in 150 UK stores and the company has won eight top industry awards. It exports to 35 countries and is shortly to begin trading in 10 more.

Director, Amanda Allerton comments: "In our first year, we achieved a turnover of £250,000. Fifteen per cent of this came from export. This year, export will account for 35%. Overseas trade is pivotal to our company's growth.

"One of the challenges for us has been finding the right distributors for our products. We made a couple of mistakes early on but we have developed a very thorough vetting procedure and now ask for detailed trade references. The worldwide shortage of cotton has been another problem, increasing our production costs by 60% and reducing our margins.

"Despite the recession, there are still fantastic opportunities for exporters. There is a huge amount of respect for British products – our distributor in Asia produces a glossy brochure of all its products and on our page there is a large Union Jack. We are learning every single day and talk to as many people as we possibly can to increase our knowledge. I can't believe we have achieved all this in 19 months from an office in my attic!"

THE RESEARCH FINDINGS

Continued

The vast majority (80%) of exporters that responded to the survey had done business in more than one country. Most (32%) were trading in between two and five countries, 15% in six to 10 countries and 14% in 21 to 50 countries. Only seven per cent were trading in 50 countries or more. Unsurprisingly, it is the larger companies that trade with the most countries. Nearly half (47%) of respondents in businesses with 50 employees or more had dealt with over 20 countries. Similarly, half of businesses with a turnover of £10 million or more were trading with this number of countries.



'Born Globals' and the potential of emerging markets

Previous surveys show that novice exporters tend to tackle the easiest markets first, followed by progressively more challenging or distant markets. This is borne out by our survey which found that over half of respondents (55%) chose the European Economic Area (EEA) as their entry route into export. The US and Canada were the second most likely markets to be approached first (15%).

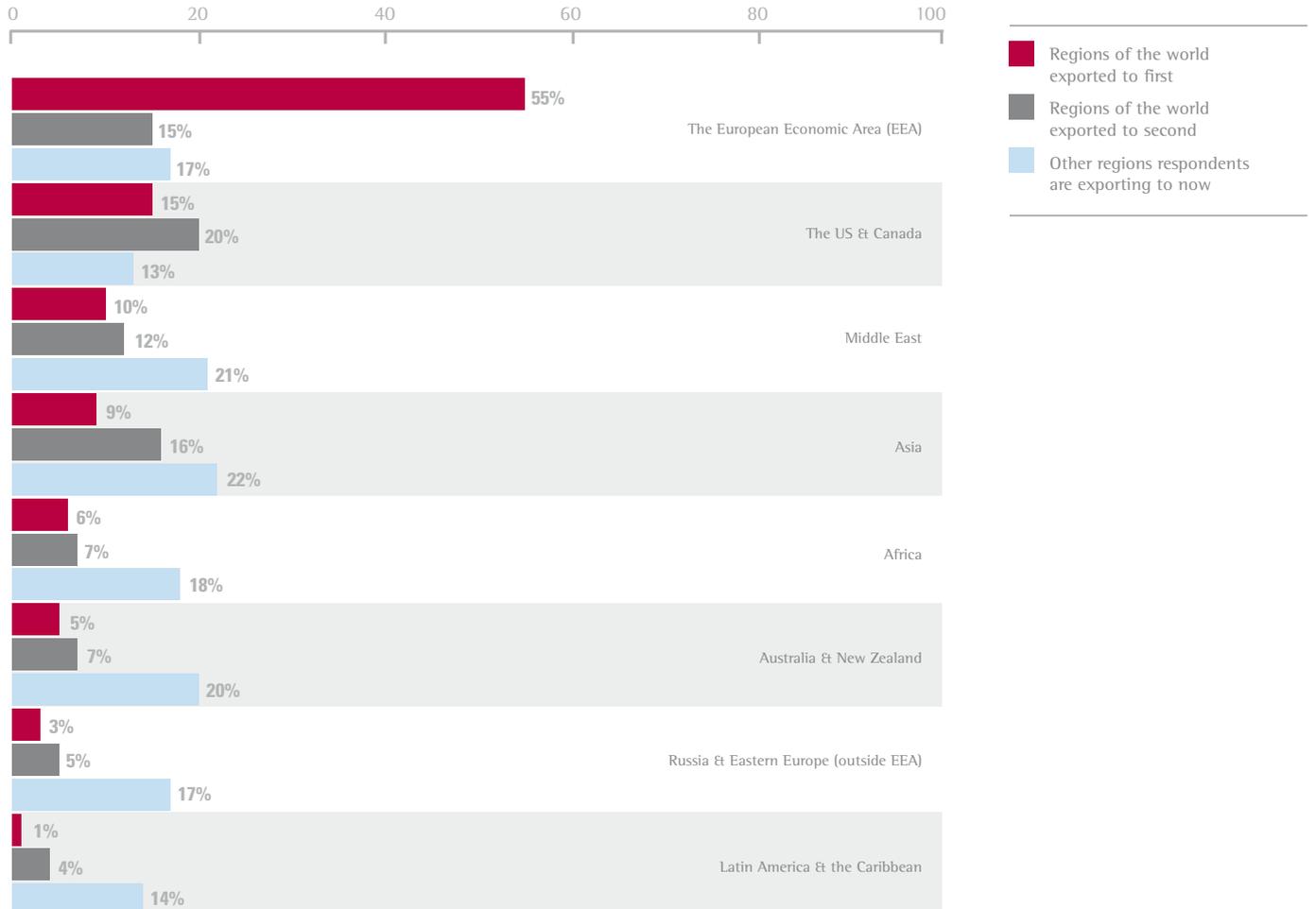
The more experienced an exporter, the more likely they are to target regions such as Asia (22%) and the Middle East (21%). However, some exporters, often known as 'Born Globals', buck the trend, choosing to internationalise early in their existence.

The fast-growing emerging markets represent a huge potential market for British exporters and, while many SMEs are daunted by the prospect of trading with such geographically-distant and culturally-diverse countries, some are not. According to the UKTI report *Great Expectations: Doing business in emerging markets*³, around one in three SME respondents (those with less than 100 employees) were planning to expand into one new emerging market over the next two years.

When asked to identify which markets they would like to export to next, most respondents to our survey mentioned the Middle East and Asia (27% each for both). Russia and Eastern Europe were also favoured markets for exporting in the future (24%). Africa was the least likely region to be mentioned (16%).

³ Great Expectations: Doing business in emerging markets, UK Trade & Investment and the Economist Intelligence Unit, 2010

Q Which of the following regions of the world did you export to first, which region did you enter next and where else do you export to now?



Source: Director and UKTI Doing Business Overseas survey, July and August 2010

THE RESEARCH FINDINGS

Continued

Route to market

Our survey found that the most common route to market among respondents is by direct sales (53%) or selling through agencies (33%). Larger businesses were significantly more likely than smaller businesses to say they used agents or distributors to sell abroad (42% amongst those with 50 or more employees, compared with 27% amongst those with fewer than 10 employees). Licensing or franchising overseas was mentioned by just eight per cent of respondents and, again, these approaches were more common amongst larger businesses.

This is consistent with the findings of The European Commission's Internationalisation of European SMEs Survey⁴, which suggests that the larger and more well-established a company is, the more likely it is to use other routes to market, such as agents, distributors and franchises.

Online is an important sales method for 15% of survey respondents, offering a shop front to the world. Four per cent of businesses rely on the internet for most of their overseas sales.

⁴ Internationalisation of European SMEs, Final Report: Published by Entrepreneurship Unit, Directorate-General for Enterprise and Industry, European Commission, 2010

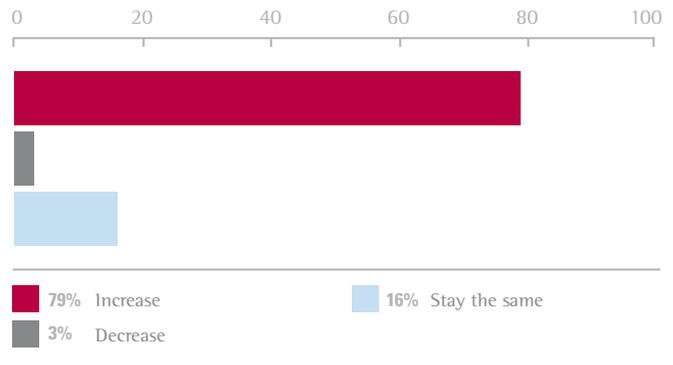
A positive outlook

The survey revealed a positive mood amongst UK exporters, who remain largely upbeat and confident about the future. Three quarters of respondents (75%) plan to export more over the next 12 months. Over 90% of businesses with a turnover of at least £10 million expect their exports to grow.

Overwhelmingly, companies expect the number of countries they deal with to increase (79%). Sixteen per cent said the number of countries would remain the same and just three per cent said it would decrease.

The youngest businesses were the most positive, with over 90% of those formed in the last five years believing they would deal with more overseas countries in the next three years.

Q Over the next three years, do you expect the number of countries in which you do business to increase, decrease or stay the same?



Source: Director and UKTI Doing Business Overseas survey, July and August 2010

Did you know?

ACCORDING
TO THE
ECONOMIST
INTELLIGENCE
UNIT, THE
UK IS
FORECAST
TO HAVE THE
STRONGEST
BUSINESS
ENVIRONMENT
OF ALL MAJOR
EUROPEAN
ECONOMIES
UP TO 2012

THE UK IS

A LEADING GLOBAL
TRADING NATION.

**IT IS THE
SECOND
LARGEST**

EXPORTER AND
THIRD LARGEST
IMPORTER OF
COMMERCIAL
SERVICES, AND
THE SEVENTH
LARGEST

EXPORTER
AND FOURTH
LARGEST
IMPORTER OF
MERCHANDISE

(SOURCE: WORLD TRADE
ORGANISATION, 2009)

THE UK IS
A WORLD
LEADER IN
INNOVATION,
RANKING
SECOND IN
THE WORLD
FOR THE
QUALITY OF ITS
RESEARCH
BASE

THE UK IS A
MAGNET
FOR FOREIGN
INVESTMENT.
IN 2009-10,
THE UK
ATTRACTED
1,619 NEW
INVESTMENTS,
AND IN 2009
RETAINED
US\$1,125
BILLION OF
FDI STOCK

THE RESEARCH FINDINGS

Continued



British is best

Having a British brand is regarded as a clear advantage by 62% of respondents, with only two per cent seeing it as a drawback.



EXPERT COMMENT “Companies around the world like the British business ethos. We have a reputation for honesty, reliability, open-handedness and the willingness to work in partnership with people. Beyond this, a company has to work to establish its own brand by emphasising its capability, innovation and the uniqueness of its product.”

Doug Mahoney,
International Trade Director, UKTI

Impact of the recession

There is no denying that we are living through extraordinary times and the whole world is experiencing a period of unprecedented economic turmoil. A third (33%) of respondents to the survey said export had become more difficult in the last two years. Significantly however, a higher number (36%) thought the recession had made no impact on export conditions. Only one in 10 businesses (11%) felt that export had become easier.

Clearly, despite tougher trading conditions, and with 75% of respondents planning to export more in the next 12 months, the UK's SME exporters remain positive about the future and feel that export is worth the challenge.

The toughest challenges

There are many reasons that UK companies may feel they are missing out on overseas opportunities. These can be to do with networks and contacts, procedural problems (including customs, legal and regulatory frameworks), issues relating to product standards and protection of intellectual property. Paul Edwards, Head of Market Development at Griffon Hoverwork identified his firm's toughest challenge as working with different governments, cultures and business practices. Despite this, his company has just won the UK's largest ever hovercraft order (see box on page 20).

In our survey we asked companies to identify what they regard as the simplest and toughest things about doing business in a foreign country. Nearly a third (32%) of respondents said that the logistics of business overseas was the easiest aspect of exporting. The toughest challenge was identifying a suitable partner (60%).

The five most difficult challenges that firms face when doing business overseas were identified as:

1. identifying a suitable partner **60%**
2. getting to talk to potential customers and partners **49%**
3. building relationships with influencers and decision-makers **46%**
4. finding time to devote to the business overseas **43%**
5. protecting intellectual property overseas **41%**

HOVERING AROUND £34 MILLION

Southampton-based Griffon Hoverwork has always received the majority of its business from overseas. The company designs and manufactures hovercraft and, whilst there are some parts of the UK where these craft are ideal, such as mudflats and inshore areas, the majority of hovercraft requirements are overseas.

The company began exporting in the 1980s to markets such as Canada, Sweden and the Baltic, where extremes of weather and difficult terrain make it impossible for other types of craft to navigate with ease. In 2001, Griffon Hoverwork won an order to supply six 8000TD hovercraft to the Indian Coastguard, as the vessel was the only type that could be used in India's shallow coastal waters.

Nine years later, the company has won a new contract worth £34 million to supply 12 more hovercraft to the Indian Coastguard. It is the largest ever UK hovercraft order and will provide three years' work for the business.

Paul Edwards, Head of Market Development at Griffon Hoverwork commented: "Exporting is the only way for a company such as ours to achieve large scale and sustainable growth. There are only a handful of potential hovercraft customers in the UK, so we need to look overseas for the majority of our business. All of our hovercraft are bespoke and designed to meet specific customer requirements. We now have more than 150 hovercraft in service, in over 40 countries."

Griffon Hoverwork has grown to become the world's leading designer and manufacturer of hovercraft. It has expanded from around 70 to 180 employees and is in the process of relocating to larger premises.

Paul added: "One of the biggest challenges is working on the international scene with different governments, cultures and business practices. Overcoming these challenges is only possible with strong and visible UK Government support".



EXPERT COMMENT

“The challenges exporters face fall into two categories:

1. how you find customers overseas (identifying a partner, getting to talk to potential customers, building relationships with influencers)
2. how you go about trading overseas (legal financial and tax regulations, intellectual property).

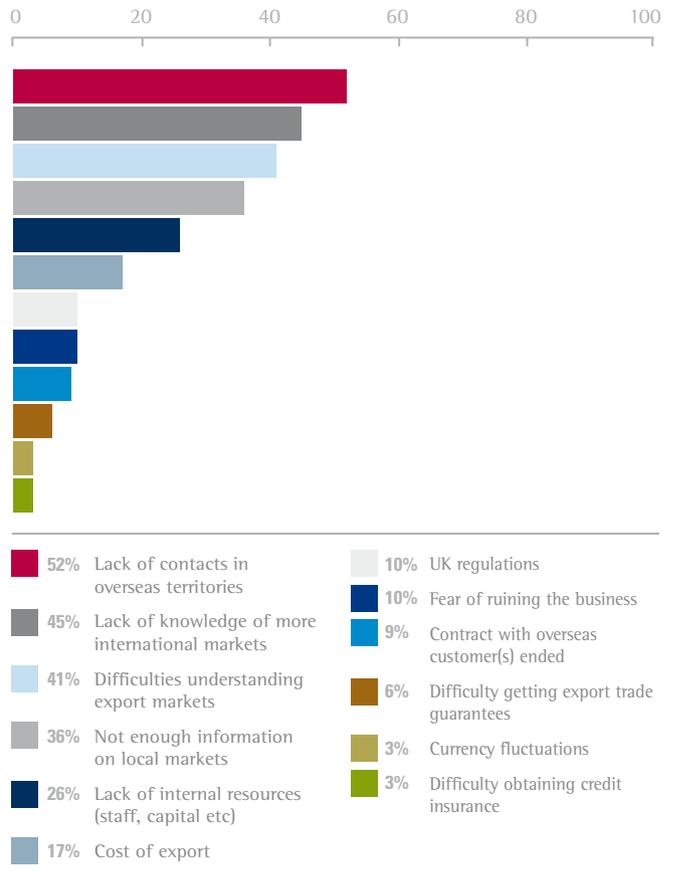
“UKTI provides support in both of these areas. Our overseas staff are proactively involved in identifying opportunities and partner organisations for companies in the UK and assisting them to visit the marketplace. International Trade Advisers and UKTI support services here in the UK provide advice and support with the “how to” of exporting.”

Doug Mahoney,
International Trade Director, UKTI

Barriers to export

Businesses that are not currently exporting or that have stopped exporting were asked why. Over half (52%) said it was due to a lack of contacts in overseas territories. The next most common reasons were a lack of knowledge about international markets (45%) and difficulties understanding export markets (41%).

Q If you have never exported, or recently stopped exporting, tick the factors that influenced that decision.



Base: All respondents who have never exported or stopped exporting; 69

Source: Director and UKTI Doing Business Overseas survey, July and August 2010

THE RESEARCH FINDINGS

Continued

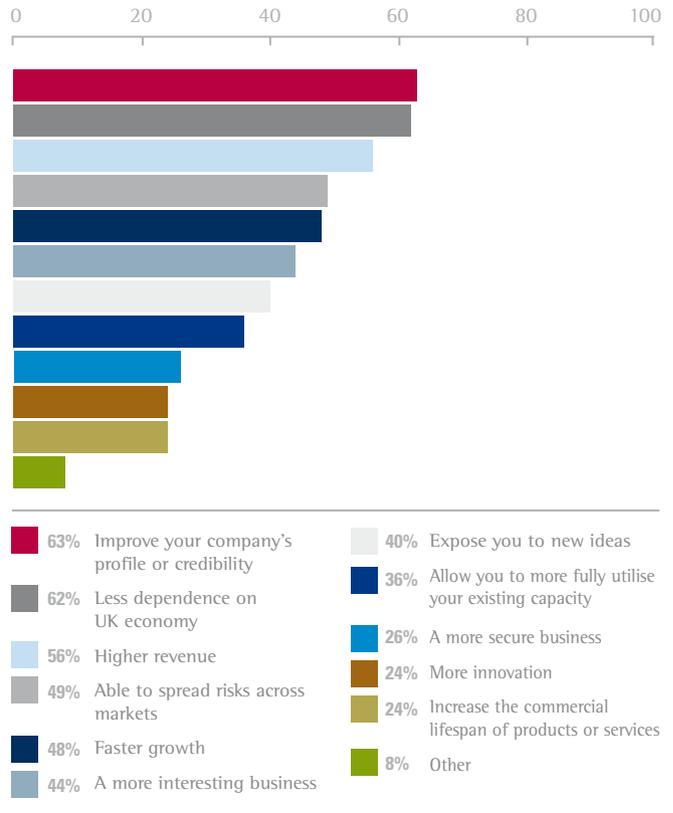
A catalyst for growth and innovation

Evidence shows that export is good for business. It promotes growth, opens up new opportunities, generates fresh ideas and gives companies a competitive edge.

This is borne out by the survey, which shows that the majority of respondents felt that exporting improved their company's profile and credibility (63%) and reduced their dependence on the UK economy (62%). Over half of businesses (56%) mentioned higher revenue and just under half said it was an advantage to them to be able to spread the risk across different markets (49%) and to grow more rapidly (48%).

Innovation was another important advantage. Two fifths of businesses believed that international trade made them a more interesting business (44%) and 40% said it exposed them to new ideas. The majority of respondents said they develop new products or services when doing business overseas (62%) and an even higher proportion (72%) modify existing products or services. The largest organisations, in terms of turnover and staff, were the most likely to develop new products and services or modify existing ones: four fifths of businesses with a turnover of £20 million or more said they had developed new products or services and 90% had adapted existing ones.

Q What are the main advantages of exporting for your business?



Source: Director and UKTI Doing Business Overseas survey, July and August 2010

Did you know?

Exporting can help you to achieve:

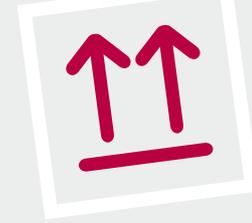
- **Improved credibility** – you are competing against the best in the world, so you must be good.
- **Less dependency on the UK economy** – this is important in the current marketplace. There is evidence that companies that have diversified their export portfolio have ridden out the recession best.
- **Higher revenue** – companies that trade internationally have more opportunities to increase their revenue and can charge a premium for their products and services.
- **The ability to spread risk** – you don't have all your eggs in one basket. If one market falters, you have others to fall back on.
- **Faster growth** – it is proven that companies that export experience much higher levels of growth, particularly in the first two years.

Huge rewards when you get it right

There is a clear and compelling case for UK companies to internationalise. Not only does it give them the obvious advantages of reducing dependence on a domestic market that has slowed in recent years, but trading overseas also vastly improves a company's potential for growth and its exposure to new ideas. As the *Doing Business Overseas* survey clearly shows, exporting encourages innovation and improves the commercial life span of products. It helps businesses to achieve a more robust financial performance and makes them more likely to stay in business.

And, while there are undoubtedly challenges, there is an extensive network of support to help both would-be and more experienced exporters to overcome them. Like anything in business, exporting demands dedication and hard work. Companies can, and do, make mistakes. But, when they get it right the rewards can be huge.

OVERCOMING THE BARRIERS TO EXPORT



Support services exist to help UK exporters and would-be exporters to tackle virtually all of the issues and challenges identified in this report. The following question and answer section has been designed to allow you to identify and select the support available to help you develop your business internationally.

Q “We’d like to begin exporting but we’re not sure we’re ready.”

Business Link’s ‘Are you ready to export?’ online tool provides a quick, basic assessment of a company’s export capabilities and the issues and practicalities you need to know about before beginning to export. The tool provides a useful starting point for discussions with a UKTI International Trade Adviser (ITA), who can give you a more detailed assessment and practical advice on a one-to-one basis.



Q “We don’t have any export experience. Where should we start?”

The best place to start is the UKTI website – www.ukti.gov.uk. Here, you can find information about UKTI’s services for first-time exporters, as well as many other useful resources. UKTI can put you in touch with an ITA who can review your company’s readiness for international business and identify which services will be most useful to you.

Your ITA may recommend UKTI’s Passport to Export scheme, which provides support and mentoring for eligible SME exporters. The service, aimed at novice exporters, includes help with tackling cultural and language issues, advice on marketing research, and ongoing support.

Q “We’ve got a hunch about this market, but we really need to find out more information before we decide whether to go ahead.”

The Export Marketing Research Scheme, run for UKTI by the British Chambers of Commerce, provides advice on marketing research. This entails the systematic and objective collection of information about an overseas market, to help companies reach sound decisions on issues such as whether or not to export to a new market and how best to deliver products or services in the market. It can provide funding for eligible companies to research potential export markets.



Q “I’m sure there are lots of opportunities in overseas markets but we don’t get to hear about them.”

By simply signing up to [UKTI’s Business Opportunities Alerts](#) service, companies can receive priority details of business opportunities straight to their inbox.

Q “We need an accurate picture of the political environment in that country so we can decide if we want to do business there.”

[Overseas Security Information for Business \(OSIB\)](#) is a joint initiative between the Foreign & Commonwealth Office (FCO) and UKTI. It provides UK businesses with up-to-date information regarding any security risks they face when operating overseas. UKTI also publishes [FCO Country Updates](#), which are country profiles that provide an overview of the economic and political environment.

Q “What we really need is someone on the ground to tell us about the market and help us establish some contacts there.”

[UKTI’s Overseas Market Introduction Service \(OMIS\)](#) can provide market advice, support during overseas visits including arranging meetings with key contacts, analysis of market entry strategies, bespoke events such as product launches and identification of potential business partners. The service is delivered by UKTI staff in British Embassies, High Commissions and Consulates across the world, who have a detailed knowledge of, and contacts in, their marketplace.

OVERCOMING THE BARRIERS TO EXPORT

Continued



Q “It would be good if there was an easy way to find out about regulatory information for exporters – export licences, customs procedures, that sort of thing...”

Business Link helps businesses to succeed by providing access to clear, simple, and authoritative information. Its website divides the world of business and government into easy-to-understand thematic areas, including international trade. Business Link should be your first port of call for regulatory information on exporting. It includes information on getting paid, export licences, preparing to export, sanctions, customs procedures and much more.

Q “We’re already exporting to Europe, but want to go further.”

UKTI’s Gateway to Global Growth offers a package of support for experienced SME exporters to help them diversify into new markets or build additional capacity. It offers strategic support, including engagement with public/private sector providers, access to specialist training, group networking and global supply chain engagement.

Q “We need to raise our profile by going to trade shows in overseas markets.”

UKTI’s Tradeshow Access Programme (TAP) provides support for SMEs to exhibit at trade shows overseas, either as part of a business delegation or on an individual basis. Each delegation is led by an accredited trade organisation. In 2009-10, the TAP Group Programme supported 390 events.

Q “How can we communicate better with our customers overseas?”

The Export Communications Review, run for UKTI by the British Chambers of Commerce, looks at how companies are communicating with overseas customers. It provides practical advice on language and cultural issues to help them develop a more effective communications strategy.

Q “It is difficult to meet with overseas buyers face-to-face.”

UKTI inward missions bring together UK companies and overseas buyers at events across the UK. There are also sector-based outward missions that give UK exporters the chance to visit overseas markets and meet buyers as part of a like-minded group. Or, companies can receive support individually or in small, mixed sector groups. You can find out more about inward and outward missions, and more information on our market visit support, at www.ukti.gov.uk

Q “We’ve heard that protecting intellectual property rights overseas can be a minefield. What can we do?”

Intellectual property (IP) is any form of original creation that can be bought or sold – from music to machinery. IP rights are territorial, which means that if you have registered protection in the UK, it only applies in the UK. If you export products or services and are concerned about preventing other people from exploiting your ideas, you should consider applying for IP protection overseas, as well as in the UK. The Intellectual Property Office is a useful source of information. In addition, UKTI publishes intellectual property guides for companies wishing to export to new and emerging markets, and provides advice and support to companies on protecting their intellectual property overseas. Business Link is also a useful source of information.

Q “Completing export documentation is time-consuming and it’s easy to get wrong. Can anyone help?”

The Chamber of Commerce network offers advice and assistance in preparing export documentation, including the facility to submit documents online. This includes assistance with: Letters of Credit, Certificates of Origin, EUR1 or A.TR Certificates, export licences, pre-shipment inspection reports and INCOTERMs.

CONTACTING UKTI

UK Trade & Investment is the Government Department that helps UK-based companies succeed in an increasingly global economy. Our range of expert services can be tailored to meet the needs of your company to maximise your international success. They are delivered through an extensive network of market specialists, based in the UK and across the globe.

You can find contact details for your local UKTI International Trade Adviser on our website: www.ukti.gov.uk or telephone us: +44 (0)20 7215 8000. Our helpline is open from 9.00am to 5.00pm Monday to Friday.

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Scottish Development International

T: 0800 917 9534 within Scotland
T: 0141 228 2828 from the UK
www.sdi.co.uk

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Solutions for Business

Funded by
UK Government

A range of UK Government support is available from a portfolio of initiatives called Solutions for Business. The “solutions” are available to qualifying businesses, and cover everything from investment and grants through to specialist advice, collaborations and partnerships.

UK Trade & Investment is the Government Department that helps UK-based companies succeed in the global economy.

We also help overseas companies bring their high-quality investment to the UK’s dynamic economy – acknowledged as Europe’s best place from which to succeed in global business.

UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British embassies and other diplomatic offices around the world. We provide companies with the tools they require to be competitive on the world stage.

For further information please visit www.ukti.gov.uk or telephone +44 (0)20 7215 8000.

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