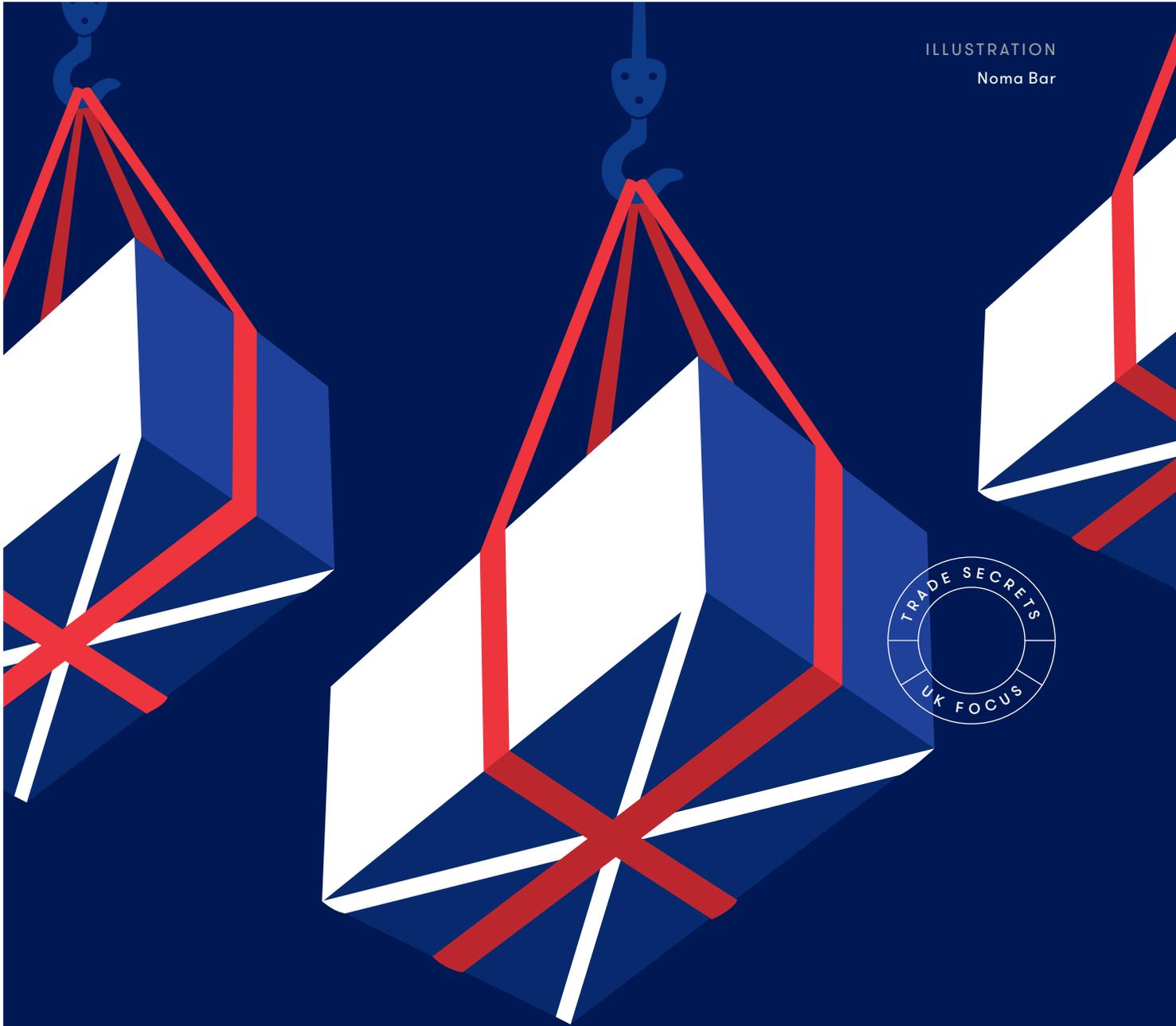


ILLUSTRATION

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TRADE SECRETS

Global interest in UK brands is strong, 'Made in Britain' still has a powerful pull and exports are 15%-20% cheaper than they used to be. But what else do business leaders looking for new markets need to know?

01

SUREN THIRU
 Head of Economics,
 British Chambers
 of Commerce

Based on the latest available trade data, performance among UK exporters has been relatively good against a backdrop of improving global markets. What we sell is more attractive overseas, but what we buy in – raw materials and component parts, for example – is pricier, so profit margins are being watched closely.

Our latest economic survey suggests that the UK manufacturing industry has had quite a strong year, particularly on the export side, although domestic demand is holding up too.

The net trade position has remained fairly consistent. Brexit hasn't happened yet, so it's impossible to gauge its impact. Obviously, there is uncertainty out there during this transition period, so businesses should take advantage of the support on offer in terms of trade shows, market research and practical support such as overseas trade missions offered by government, banks and membership groups.

Exporting is a contact sport, so partners need to meet each other to talk and build rapport. There are technical issues around trade deals, of course, but in the near-term businesses can establish groundwork with potential partners.

Current government initiatives could also be better advertised. The support offered to business is below the level of our trade partners, notably Germany.

The good news is that there is a lot of potential for British businesses, because the country's brand is strong. When we speak to



Chambers of Commerce across Europe and further afield we hear that interest in British-made goods and services is high.

With just a few changes, for example a higher level of practical support, the UK could start to catch the leaders in international trade.

BRITISH CHAMBERS OF COMMERCE is the umbrella organisation for a UK network of chambers that champion the priorities of businesses and work to improve the local trade environment.

Number of chambers _____ 52
 BCC members employ _____ 5 million people

02

DOM TRIBE
 Manufacturing
 sector specialist at
 supply chain firm
 Vendigital


'Made in Britain' is a valuable brand for which foreign consumers are willing to pay a premium.

With the UK rated as one of the most stable and transparent political environments in which to do business, it is often viewed as a 'safe bet' by overseas firms for business-to-business trading. We also have one of the most flexible labour markets in Europe.

The UK is a world leader in innovation, ranking second only to the US for the quality of its research base.

The extent and nature of overseas trading opportunities will be influenced significantly by trade deals made with non-EU countries post-Brexit, so UK businesses should research opportunities in emerging markets now.

For example, Nigeria, which is in the process of improving its basic infrastructure, presents strong opportunities for businesses in the telecoms sector, while Russia has a fast-growing agricultural industry.

Businesses looking

to trade overseas should focus on three key areas: market intelligence, awareness and sensitivity of cultural differences and local knowledge of the relevant taxes, tariffs, regulations and legislation, which may incur additional business administration and costs.

As well as understanding factors such as size of market and potential routes into it, companies should consider what is most likely to work for their specific organisation.

With the UK accounting for just 4% of global gross domestic product, overseas markets offer untapped potential for ambitious UK firms. However, it is important

for businesses to pick their moment wisely.

Conduct a thorough business scenario forecast to assess the impact of tariff changes, supply chain contract termination and restrictions on labour movement.

Wherever possible, businesses should also look to introduce flexibility by diversifying product portfolios. This helps to ensure that risk is spread across markets.

Overseas markets offer untapped potential for ambitious UK firms

VENDIGITAL is a procurement and supply chain specialist with offices in Europe, the US and Asia. It provides tailored advice to help clients manage cost, deliver and source overseas. Employees _____ 65 full time
 Sectors of operation _____ six

03

ALLYSON STEWART-ALLEN
 CEO, International
 Marketing Partners


A positive way to deal with the impact of Brexit is to export. Given the appetite the world has for the best of Britain's products and services, it could be an easier sales job than you think.

The key to success is making sure you're better than, or different from, what's already on offer. Be clear on what you want to be known for and what will generate your income.

Do your homework on the target market. There's no better way to

learn than to see, smell, hear and observe for yourself the similarities and differences. There are many examples from around the world of companies that are good at localising and, unfortunately, those that are not.

Tesco's US foray with its Fresh & Easy stores is a good example of a company that chose to override its market research findings to insist on merchandising the UK way, pre-packing the produce, which

Americans do not like. Instead, US consumers prefer to choose each orange, apple or carrot rather than have an edited collection sold to them. Don't repeat this mistake. Invite other points of view to check or challenge your assumptions about how alike or different the overseas market is from your home territory. Unless your leadership team has a culture that actively invites dissent and diverse points of view, it is at risk of exporting a template that probably will not be fit for purpose overseas.

Immerse yourself in the culture. What you see above the waterline versus the rest of the iceberg are two different things; working that out requires time. But be confident: don't go into it unless you are positive, prepared to take a risk and spend the money. 'Toe in the water' is not a good strategy.

INTERNATIONAL MARKETING PARTNERS helps organisations become international, expanding their reach to extract more value from markets. Clients include Aviva, Burberry and the Ministry of Defence.
 Experts _____ nine
 Founded _____ 1991

04 GLENN COOPER CEO, ATG ACCESS

Many UK manufacturing businesses have grown by focusing on the UK's heritage of high-quality engineering and innovation.

While future trading conditions are unclear due to Brexit, British businesses need to take advantage of the current, favourable export environment.

A weak pound has its disadvantages, but it does make UK exports more attractive and this economic shift has brought potentially huge opportunities.

05 TOM WOOD Founder, Cazana

The UK's knowledge economy is one of the best in the world. Having travelled to the US recently I can confirm the country is still respected as an innovator, despite Brexit uncertainty.

Britain has some of the best universities in the world and an extremely talented pool of employees. British businesses also tend to be agile.

I don't see a resurgence in large-scale British manufacturing, but British knowledge exports and niche, high-value manufacturing are strong selling



In general, it's a good time to reach out beyond our borders

points for the UK.

The weakened pound has certainly made overseas trade more attractive. We are seeing more interest in our vehicle data from foreign businesses, as we are now 15%-20% cheaper for them due to the exchange rate.

On the downside, the potential loss of skilled European workers is a concern domestically and to our

overseas buyers. This is an important part of our ability to compete globally by attracting the best talent from around the world.

As a matter of urgency, the government should establish certainty about our trading and immigration relationship with Europe.

There is nothing more disrupting to long-term trade deals and we've had a prolonged period since the Brexit vote with little long-term planning or certainty from the government.

More positively, the government could help business by increasing awareness of overseas consulates that exist to support trade.

We were hosted by

the British Consulate in the US on a trade mission to sell our vehicle technology, but few start-ups know about the excellent connections consulates offer and how they can help establish international commerce.

In general, it's a good time to reach out beyond our borders. Government is supportive, the currency has never been as attractive for non-sterling buyers, and we are respected as an innovator on the global stage.

CAZANA helps used-car buyers find a car from dealers and private sellers and then check that it's safe to buy using sophisticated data analysis and AI to collect data.
 Lasting funding _____ £1.75m
 Monthly page views _____ 2m
 Employees _____ 16



The appetite for UK products and quality has not dampened since we voted to leave the EU. New 'super-power' markets such as China are actively seeking to import British products.

The Japanese government has also invested in a number of trade missions to bring members of the Tokyo Olympic Authority to visit the British Olympic legacy sites so that they can learn from the project. It's just one of a number of ways that the UK continues to set the benchmark.

My advice is to get on a plane and take the time to understand your target market, cultural subtleties and customer requirements. Export markets take time to establish and develop. This means that expectations need to be realistic and return on investment does take some time – so don't rush.

The more a business can understand its export markets and the trading environment, the more successful it will be.

The potential for British exporting has never been greater. Opportunities are everywhere and the demand for British products and expertise is higher than ever before.

ATG ACCESS is a leading supplier of physical security solutions to clients around the world. Products range from security for private driveways to stadia. Projects include The Shard and the 2012 Olympic Games.
 Employees _____ 75
 Estimated 2017 turnover _____ £18m

TRADING UP
 Can you take advantage of the current export environment? To find out more, contact us at strategiesforgrowth@uk.gt.com