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Roy Wilkinson from Akubra recalls a Tibetan businessman wandering into the Akubra retail store in Sydney several years ago and buying 20 hats. He then sold them in Tibet and China.

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"We'd never really thought about selling to the China market before," Wilkinson says. These days, Akubra is selling about 10,000 hats a year there via its one original customer and several other Chinese distributors who happened to contact Akubra. But the business wants to sell a lot more hats in China – and it wants help to do so.

"We may have an iconic name but we are still a small family-owned company of 90 people and we are not very sophisticated in export markets," says Wilkinson. "A lot of our business is done on a handshake but it's not easy to find the right distributors."

That lack of expertise about China – whether in legal, cultural or language differences – is common among small and medium-sized businesses daunted by the complexity and commercial risks of trading there.

Unlike large companies, it's not as if small operators can afford to employ a lot of China experts to assist them. Or risk the wrong partners. Or bet big on products which may not suit Chinese consumers – but could have worked with adjustments if they had realised what was necessary.

Overcoming such barriers will be key to Australia's capacity to take advantage of the free trade agreement and a huge market as well as much-needed growth for so many small and medium-sized businesses.

Yet for all the talk and possibilities of Brand Australia, there's little attempt to sell that national image in any coherent way.

So the NSW Chamber of Commerce will announce next week a radical new program designed to meet the gap confronting many Australian small businesses and guide them through the challenges and opportunities of selling in China. Organised effort

Export Growth China will set up a showroom in Shanghai next year to feature Australian product samples designed to appeal to Chinese wholesale buyers. Behind that is a much more organised effort to assist smaller Australian would-be exporters negotiate their into the market in a more considered way.

That includes providing everything from legal and contract services to market research to translation to cultural training to marketing advice and protecting intellectual property.

NSW Business Chamber CEO Stephen Cartwright says the idea is to help companies avoid the time-consuming, costly and often frustrating process of getting products on shelves in Chinese stores.

Instead, if particular products are chosen for the Shanghai showroom, the chamber will work with the owners to assess the interest from **Chinese** buyers and how best to meet possible demand.

"What this does is substantially reduce the risks and costs to SME exporters by offering them a low-cost export entry point, as well as end to end assistance – from identification of an opportunity to the ultimate export **sale**," he says.

"Our intelligence on the ground in **China** will be able to provide real-time advice. It might be that the labelling or packaging may need to be redesigned for the local market. Or the size or ingredients might need to be better tailored for the specific market."

About 200 samples will be on display in the showroom, rotated every six months. An enthusiastic Akubra is hoping its hats will be there.

The idea developed from Cartwright's frustration at seeing the opportunities squandered because of the difficulties for small **business** in getting the right advice and assistance as well as the fragmentation of Australian marketing efforts.

Most of the Austrade offices in **China**, for example, seem to focus far more on helping **Chinese business** sell or invest in the Australian market rather than the other way around.

Cartwright received the strong backing of his NSW **board**. This included a \$2.5 **million** financial commitment, along with a small grants from Austrade. The program will be open to any member of a chamber of commerce throughout Australia – around 300,000 nationally – at a cost of around \$5000 to \$7000. Green tea ice cream

Greg McNamara is a chamber director as well as chairman of Norco, the north coast **dairy** co-operative selling fresh **milk** to **China**. That experience has not been without problems – everything from leaking foil bottle tops en route to fake **Chinese** replicas of the **brand** within 48 hours of its arrival. Adaptation of bottle tops and downloading a new Australian app that identifies the farm, date and origins of the **milk** has taken care of that. And McNamara belatedly realised providing 2 litre bottles doesn't work given the size of most **Chinese** fridges. It only makes him more enthusiastic about the chamber's initiative.

"It helps people to understand the opportunities and manage the risks," he says. "We don't have the understanding of the culture we need to have. Just drawing up a contract is a real challenge.

"We have just muddled our way through. We now realise if there is a problem, the **Chinese** just go quiet and don't respond to emails."

Beyond steadily expanding **milk** exports, McNamara's new dream is for Norco to provide high-quality ice cream to **China**. That will require testing the market for the right flavours. Green tea, anyone? Chai?

"Australia can't be a cheap commodity player," he says. "We need to pay at the higher end. And that means constant innovation and knowing how to respond to **Chinese** tastes."

See you in **China** ...

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