



Department for
International Trade

The 2019/23 Contracting Opportunity

Delivery in Key Global Markets



Concept Export Growth Service

Overseas Delivery

- Contract size potentially between £6mpa & £12mpa
- 30 key markets, with top 5 being 50% of resource
- No1 country being USA, No1 Region being EU



Focusing Resource Where MSB & SME Customers Want to Export

**30 markets accounted for 80% of ITI Export Wins,
of which EU was over half**

- | | |
|-----------------|------------------|
| 1. USA | 15. India |
| 2. Germany | 16. Sweden |
| 3. France | 17. Canada |
| 4. ANZ | 18. Singapore |
| 5. BENELUX | 19. Argentina |
| 6. UAE | 20. Poland |
| 7. Ireland | 21. Saudi Arabia |
| 8. China | 22. Denmark |
| 9. Italy | 23. Norway |
| 10. Spain | 24. South Korea |
| 11. Hong Kong | 25. Qatar |
| 12. Switzerland | 26. South Africa |
| 13. Russia | 27. Finland |
| 14. Japan | 28. Austria |
| | 29. Turkey |
| | 30. Czech R |



Concept Export Growth Service

Overseas Delivery

- Contract size potentially between £6mpa & £12mpa
 - 30 key markets, with top 5 being 50% of resource
 - No1 country being USA, No1 Region being EU
 - FOC export opportunity sourcing and response support
 - FOC 3 hr Business Advisory Service (on-selling for BSS)
 - Management of in-market service provider pool
 - Account manage customers referred into market by ITAs
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- Potential BSS market size £31mpa
 - 6-20 day Business Support Service
 - 10,000pa customers with 50% grants for costs of £3k-£10k
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- Ability to self refer 30% of market for services
 - Broker to managed pool for rest



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The Challenge To Be Met



Significant Gaps Between ITI Services & Export Barriers Experienced Remain

The Barriers Being Experienced

Barrier

Exporting is too costly

Fewer firms are able to enter exporting market as they cannot finance costs associated with exporting (resource and time)
Exporting can require large upfront costs (marketing/distribution, functional barriers)
....or external (procedural, governmental and cultural)
Sunk costs are typically, information related or credit constraints.

Attitudinal

Do not have a product or service suitable for exporting.
Prefer to do business in their own country
Many firms enter markets in an accidental and reactive manner
75% of exporters report exporting is in their business plan
Export is not a natural part of a business growth strategy for a UK business; it is seen as a 'nice-to-have'.
Costs to deal with regulation & information barriers are perceived to outweigh the benefits of exporting

Lack of knowledge

Dealing with legal or tax regulation and standards
Language barriers manifest in initial prospecting, sales and win
Lack of market specific knowledge of business culture (e.g. method of conducting business -done face to face v emails and phone conversations, language)
Intellectual property theft and infringement concerns.
Procedural barriers limit market access.
Unanticipated legal barriers/process too long and difficult
Lack of awareness of trade and customs processes

Perceived / Lack of capability

49% of all registered businesses, could start to export, export more, or expand into new markets/products.
Exporting is not part of their business plan
Lack of management time to pursue opportunities/business abroad
Franchise, Agency agreements or obligations seen as a barrier
Lack specialised market knowledge and understanding of processes.
Do not have sufficient resources to exploit market opportunities
Lack adequate personnel to handle the excess work (e.g., visiting customers abroad) and the specialized procedures
Do not have the right resources to design and implement export marketing strategies
Face challenges with recruiting the right people.
Lack capability to adapt good/service to specific overseas customers
Lack capability to develop innovative products/services to compete

Limited access to contacts and the right networks.

Finding overseas customers
Identifying opportunities
Identifying who to make contact with in the first instance
Finding reliable(trusted) and accessible distributors, customers etc.

Broader Range of Services Better Matched to Barriers

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Related Local & In-Market Advisory Service

Export Market Research

Analysis of market selection strategy
Analysis of market entry strategies
Customer and competitor analysis
Market/sector reports including PESTEL analysis
Business development, sales and pricing strategy
Logistics/freight-forwarding strategy
Financing, cash and debt advice and strategy
Tax, financial products and grants advice and strategies
Economic or political advice on markets

Product design/development

Innovating products to meet standards and certification
Guidance on adapting products to meet standards and certification
Guidance on IP protection

In-market validation of buyer and export opportunities

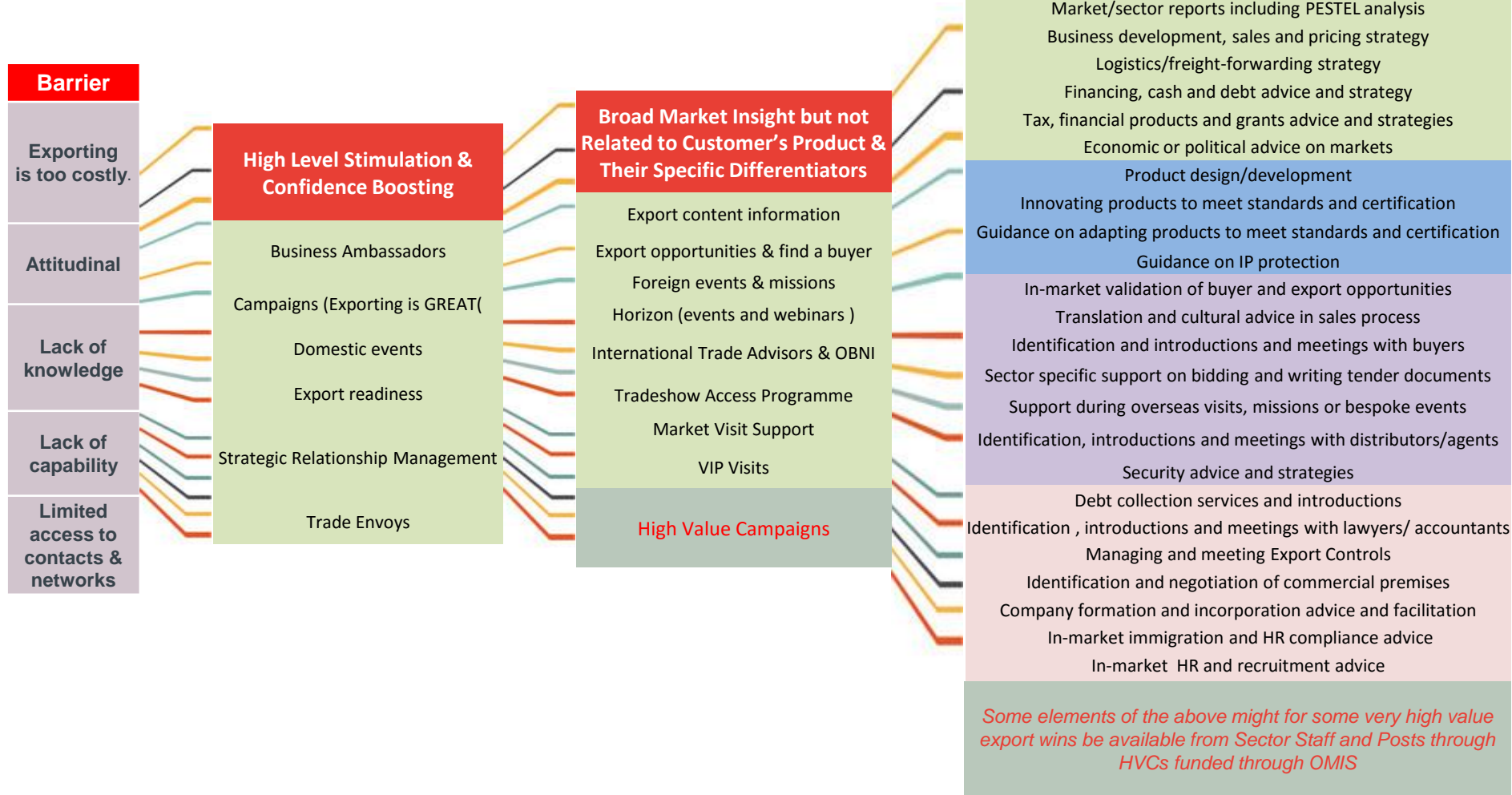
Translation and cultural advice in sales process
Identification and introductions and meetings with buyers
Sector specific support on bidding and writing tender documents
Support during overseas visits, missions or bespoke events
Identification, introductions and meetings with distributors/agents

Security advice and strategies

Debt collection services and introductions
Identification , introductions and meetings with lawyers/ accountants
Managing and meeting Export Controls
Identification and negotiation of commercial premises
Company formation and incorporation advice and facilitation
In-market immigration and HR compliance advice
In-market HR and recruitment advice
In-market recruitment of sellers and delivery staff

How Current & Potential Services Impact onto Barriers

Distribution of ITI services by depth of days support received and related impact on customer behaviour, export cost perception, opportunity knowledge, win and fulfilment capability, buyer connectivity and ultimate export win success





The Three Questions Being Asked

1. Which providers or consortia of providers can offer which of the 29 services in the 6 region lots?
2. Which are willing and able to build associate pools to fulfil any services not available in-house, effectively acting as service integrators?
3. Which of the services are best fulfilled in the English regions by the ITAs, or their local affiliates, and which in market by the overseas providers and their affiliates?

Services Being Sought
Export Market Research Analysis of market selection strategy Analysis of market entry strategies Customer and competitor analysis Market/sector reports including PESTEL analysis Business development, sales and pricing strategy Logistics/freight-forwarding strategy Financing, cash and debt advice and strategy Tax, financial products and grants advice and strategies Economic or political advice on markets
Product design/development Innovating products to meet standards and certification Guidance on adapting products to meet standards and certification Guidance on IP protection
In-market validation of buyer and export opportunities Translation and cultural advice in sales process Identification and introductions and meetings with buyers Sector specific support on bidding and writing tender documents Support during overseas visits, missions or bespoke events Identification, introductions and meetings with distributors/agents Security advice and strategies
Debt collection services and introductions Identification , introductions and meetings with lawyers/ accountants Managing and meeting Export Controls Identification and negotiation of commercial premises Company formation and incorporation advice and facilitation In-market immigration and HR compliance advice In-market HR and recruitment advice In-market recruitment of sellers and delivery staff