

Does the Government do enough to help small UK companies export?

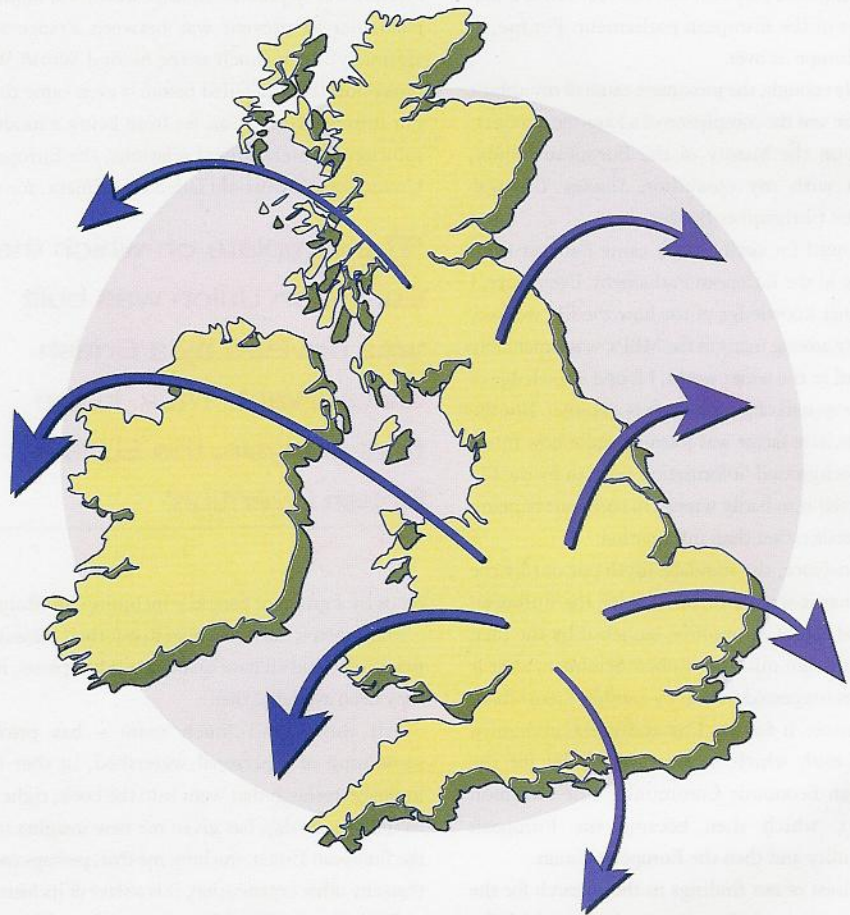
BY ALEX BLYTH

'Export or die,' said future Prime Minister, Harold Wilson, when President of the Board of Trade in 1949. In the 50-odd years since, export has become ever more important to the UK economy and now generates more than £268 billion per year, or 30 per cent of national GDP. Small businesses have played their role in this growth and continue to be keen to do so. According to research by the FSB in 2002, 24.4 per cent of small businesses had invested in training on export issues, compared to 1.5 per cent who had invested in management training. For many, the first port of call when considering export is the local Business Link. The Government is keen for all UK businesses to export, and claims to offer a great deal of assistance.

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While the network of Business Links is the direct interface for trade advice in the UK, the programmes are run by Trade Partners UK, the government organisation that provides support services for UK companies trading overseas. Its website, www.tradepartners.gov.uk, contains a wealth of information for companies starting down the export path. It has around 600 sector and market reports on more than 200 countries across the world. If you want a 2,000-word overview of the mining and minerals market in Morocco, then this is the place to look. The website also contains listings of the many events run or supported by Trade Partners UK.

Probably not, but there are many places to find out what you need to know, if selling goods abroad is to play an important part in your plans for the future



Whether you want to attend a soft drinks exhibition in Brazil or send speculative information on a trade mission to Belarus, the chances are that Trade Partners UK will be able

to help. There is also a free, searchable database of sales leads, listing the details of thousands of foreign businesspeople with specific import requests. It is also possible to read through

thousands of export success stories. For instance, you can read how 'A small Devon company producing horse health supplements has made strides into the Danish market' to find inspiration for your own first steps into export.

The Government provides more than just information. Most Business Links have an international trade adviser who will offer one-to-one advice on how to go about exporting. Trade Partners UK's network of commercial experts offers on-the-ground advice from British Embassies throughout the world. Local Export Clubs around the UK run regular events at which experienced exporters can share their knowledge with novices. The National Languages for Export Campaign, also run by Trade Partners UK, helps UK industry to develop appropriate language and culture competencies to succeed in non-English speaking markets. Finally, Export Explorer and the DTI's flagship scheme, Your Passport to Export Success, provides 'new and inexperienced exporters with the training, planning and ongoing support they need to succeed overseas'. For a few hundred pounds UK companies can get an export healthcheck, export mentoring from a local trade expert, training in necessary skills, tailored market reports, a visit to an overseas market, and ongoing support to ensure continued export success.

Passport to Export is a widely-acclaimed scheme that has helped many small companies achieve export success. J&S Adhesives is just one example. Based in Lincolnshire, the company was established in 2001, has three staff, an annual turnover of £100,000 and manufactures adhesives that cure without the need to expose them to harmful UV rays. John Jackson was keen to begin exporting, as he explains: 'The market for my products is predominantly glazing and, with this market being so volatile in the UK, I'm acutely aware of the need to export. Although we'd received the odd enquiry and used a small distributor in Denmark, I was new to the game, and I think it's fair to say, that without the Government's help I received, I would really have struggled.'

Jackson knew someone at the local Business Link and so approached him for advice on exporting. He was pointed towards the Passport to Export scheme and found it extremely useful: 'I paid about £200 for two of us to go on a two-day intensive training course. The Central Office of Information helped us produce a subsidised export brochure. We were advised on trade missions and given financial assistance towards going on them. We received help on our website, a translation service, and a US market report. If you're a small company with an exportable

product, then Passport to Export is a really useful scheme.' On the trade mission to Frankfurt in May 2003, Jackson secured a deal with Rayherr Hobby GmbH, a German firm that supplies to 5,000 hobby shops throughout Europe, and he expects that this deal, together with other smaller deals, will double his turnover within the next 12 months.

Adrian Vickery, national chairman of the Institute of Export, is as enthusiastic as Jackson about the Passport to Export scheme. However, he is one of many who believe that the Government could be doing more to help small companies in particular export. He points out that Trade Partners UK focuses on a few sectors, not one of which is the SME sector. 'This is reflective of government attitudes to small companies,' he argues. 'As soon as a blue-chip company walks into the embassy, the small business owners get completely ignored. This is shortsighted of the Government. Sure, the big companies contribute a lot to UK trade, but the small companies are the future. If they don't get enough export assistance then they'll never

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become large companies and the UK economy as a whole will suffer.' His complaint is not that the Government provides insufficient services, just that it fails to offer sufficient encouragement to potential small exporters: 'After 30 years in export I know the score, but I do worry for the novices, who are being dissuaded from setting up potentially successful export operations by government officials, who are simply more interested in dealing with more prestigious, large companies.'

In her 30 years in export, Janice Haigh has had a mixed experience of government support to small companies. Now chairman of the Wakefield & District Group of the FSB, Haigh has exported almost everything from board games to beer, and the one of the main problems that she has encountered has been the variation in quality of government support in different regions across the UK: 'It's a postcode lottery where you are entirely dependent upon the

ability of the person in charge of export at your local Business Link,' she argues. 'I've used the North Nottinghamshire Business Link and they were brilliant. As soon as I approached them they were keen to tell me about the services they offered, and to give me practical advice to get exporting. They contributed to the costs of trade missions, produced reports on export opportunities, and contributed towards the cost of exhibition attendance. The most impressive thing, though, was how proactive they were. Unfortunately I have also dealt with Business Links where you had to almost force them to tell you how they could help, and where it was nearly impossible to get any funds out of them.'

Haigh is not complaining about the direction and level of funding of government support. She is just too frequently unimpressed by the people who work in Business Links. As she puts it: 'Most of them are semi-retired people who used to work in large corporations and are now looking for a cushy number. In most cases they lack any understanding of the small business sector, and prefer to focus on helping large companies. This lack of proactivity is a real problem, particularly since small companies tend to lack the time to find out what help is available. Unless you know the questions to ask you won't get the help you need, and so you are much less likely to succeed at exporting.' She believes that the Government should focus more on hiring Business Link export advisers with experience of working in small companies and develop a more hands-on culture of assistance.

This argument is backed up by the experience of Hilary Rogers, senior account director at marketing agency, EWA. The agency was hired by its local Essex Business Link to do some outbound calling to small companies, offering them Business Link services. The response was extremely high, with around 15 per cent of those contacted agreeing to a meeting. Rogers believes that small business managers want government assistance in areas such as export, but tend not to be aware of what is available. However, she concludes that this is not entirely the fault of the Government: 'I think it's just too easy for business people not to bother finding out what help is available and then to complain that the Government doesn't do enough. While Business Links certainly ought to do more to publicise those services, small companies ought to do more to find them. After all, how hard is it to call up the local Business Link or have a browse through the Trade Partners website?'

She may have a point. If the experience of J&S Adhesives is anything to go by, then any time spent looking into exporting might be time spent very wisely.