

### Canada-Indonesia

Trade and Private Sector Assistance Project (TPSA)

Trade in Services and Services Export Promotion Workshop

### **Session 3:**

**Roadmap for SME Service Providers:** 

**Getting Ready to Export** 









# **Roadmap for Exporting Services**

### **The 4 Stages of Export Preparation**





## **Examples of Services Exported**

### What are Indonesia's Competitive Advantages?

# **Business and Professional Services**

- Accounting
- Advertising
- Education and Training
- Financial
- Legal
- Human Resources Management
- Management Consulting
- Market Research
- Marketing
- ■Real Estate
- Security
- Wholesaling/Retailing

### **Environment**

- Environmental Assessment
- Environmental clean-up
- Renewable energy

### **Health-related**

- Diagnostic and Telemedicine
- Health and Wellness Tourism
- Medical Transcription

### **ICT** and **IT** Enabled

- Business process outsourcing
- Digital Animation
- E-commerce
- Graphic Design

### **Construction-related**

- Architecture
- Design
- Engineering
- Trades
- Urban Planning

### Creative

- Fashion and Design
- Film and Video
- Music and Performing Arts
- Visual Arts

### Other?



### Some Differences between Exporting Goods and Services

Factor	Goods	Services
Cultural factors	Product design and packaging	Interpersonal dynamics, gender, personal presentation
Local events	Trade shows	Conferences (as speaker), networking events
Media	Product advertising	Press coverage, magazine /news articles, blogs
Local partners	Production/distribution firms	Other service firms
Demonstrations	Sample product, specifications	Presentation of capabilities, qualifications, standards
Initial marketing by	Sales representatives	Firm's principals – raise awareness, profile, credibility
Distribution	Importer/distributor	Local partner, service provider



# **Constraints Affecting Service Firms**

### **Same Constraints for Indonesian Firms?**

Management	Service Offerings	Financing	Marketing	
Primarily MSMEs (usually 1-10 employees) No clear objectives Short-term thinking Strengths/weaknesses No business plans Insular thinking  Mindset  Confidence Complacency Lack of motivation No sense of urgency Prioritization Time management	<ul> <li>Quality standards</li> <li>Differentiation</li> <li>Branding</li> <li>Intellectual property</li> </ul> Human Resources <ul> <li>Recognition of professional credentials</li> <li>Productivity</li> <li>Mobility of personnel</li> <li>Weak project management skills</li> <li>Language and Culture</li> </ul>	<ul> <li>Cost of travel</li> <li>Cash flow position</li> <li>Getting paid</li> <li>Difficulty in accessing financing (no assets)</li> <li>Ability to invest</li> </ul>	<ul> <li>How to market "invisibles"</li> <li>Rushing to market unprepared</li> <li>Technical skills but limited marketing skills</li> <li>Access to market information and intelligence</li> <li>Knowledge of market access requirements</li> <li>Insufficient attention to marketing</li> <li>Limited use of online strategies</li> </ul>	<ul> <li>Competitiveness</li> <li>Strategic networking</li> <li>Difficulty in establishing credibility</li> <li>Knowledge re establishing partnerships</li> <li>Weak proposal writing skills</li> <li>Limited knowledge of pricing strategies</li> <li>Limited use of ready-made templates</li> </ul>

However, exporting services can be easy for companies who are prepared!



# Is Exporting Right for You?

Many questions need to be answered.

Taking the time to reflect on the answers will put you on the right path.





# Where do you See Your Business Next Year?



#### Indonesia?

- Successful in local market?
- Hesitant to venture into new markets?
- Scarce resources?
- Time and effort, no guarantee of success?



### Regional?

- Some successes in regional market?
- Not sure how to expand?
- Limited time and resources?



#### International?

- Ready to venture a little further?
- Wondering what markets, what services, what clients?

Many new exporters jump into potential markets too quickly and unprepared - and fail. It is important to do the necessary preparatory work or you risk losing the investment of your time and resources.



# **Module 1.2 Assessing Export-Readiness**

An export-ready business is one that has the <u>capacity, resources and management</u> to deliver a <u>marketable product or service on a global scale at a competitive price</u>.





### But we are too small to export!



To succeed in international markets, you do not have to be a big firm.



# **Assessing Resource Requirements**

Your Expectations

HR Requirements Financial and Legal Resources

Competitiveness

# **Evaluating Export Potential**

Customer Profiles

Service Modification

Marketing

Local Representation

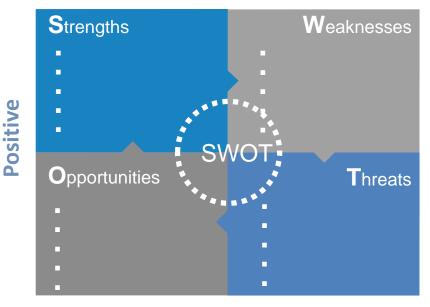
Capacity



# **SWOT Analysis**

### **Internal Factors**

(About your business)

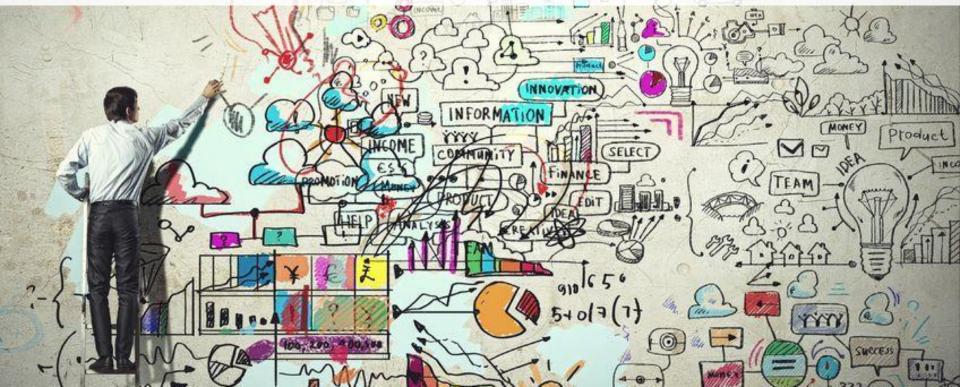


Negative

#### **External Factors**

(Factors beyond your control)

### Module 1.3 Your Export Plan is your map.





# **How Important is a Plan?**

### Can you imagine ...

- ... an architect without a blueprint?
- ... a teacher without a curriculum?
- ... a traveler without a map?
- ... a orchestral conductor without sheet music?
- ... an electrician without house plans?
- ... a workshop without an agenda?
- ... a project manager without an implementation plan?





# **Components of the Export Plan**

The Roadmap is designed to make it easier to complete your Export Plan.

#### Stage 1

Preparing Your Business



- Company Description
- Business Overview
- Description of Services
- Client Profile
- SWOT Analysis
- Business Goals
- Export Readiness

#### Stage 2

Conducting Market Research



- Primary Target Markets
- Market Information
- Sector Intelligence
- Market Intelligence

#### Stage 3

Developing a Marketing Strategy



- Marketing Plan
- Promo Materials
- Online Presence
- Winning Business

### Stage 4

Entering the Market



- Market Entry
- Strategic Alliances
- Market Visits
- Financing
- Contracting





Module 2.1 Researching Markets...Know before you go!



# **Applications of Market Research**













### **Planning**

- Business planning
- Marketing
- Resource requirements
- Online presence

#### Decisionmaking

- Service adaptation
- Marketing strategies
- Market entry options

### **Opportunities**

- Market-specific
- Sector-specific
- Market visits

### Cost-Benefit Analysis

- Reduce costs
- Reduce risks
- Break-even
- Maximize ROI

### **Focus Effort**

- Domestic or international market
- Cost-effective activities
- Submitting proposals
- Resolve issues

### Monitoring and Evaluation

- Customer satisfaction
- Monitor performance
- Analyse results
- Critical success factors
- Lessons learned



# What is your Target Market?

### Type 1

Fast-paced, competitive economies

G8, North America,
Western Europe

- Efficient service delivery
- Excellent quality assurance
- Need in-depth marketing plan

### Type 2

# Relationship-based markets

Latin America, Eastern Europe, some Asian

### Type 3

# **Developing** economies

Africa, some Asian and Caribbean countries

### Type 4

# **Emerging economies**

BRICs Countries,
Next 11

- Relationship-based
- Cultural sensitivity
- Market development takes times but can be long-lasting

- Developing and changing economies, often dependent on IFI funding
- Market development takes time
- Highly competitive due to population size and low costs
- Market development may need to be niche oriented

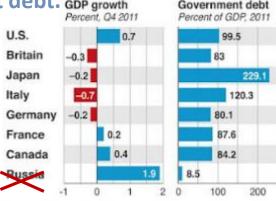


# >68 now back to G7

<u>G8 (1998-June 2015)</u> – Russia recently ousted due to aggression in Crimea Important to know – rich Russians investing in your country...be cautious...beware of economic sanctions!

The Group of 7 leading industrialized countries (G7) may seem like the ideal target because of their size and ability to pay. However, these markets are well-established, some are showing negative GDP growth, and high government debt. GDP growth Government





rice Providers – Getting Ready to Export



### **BRIC Countries**

The BRICS countries are five major emerging national economies (40% of world population).

**Ask yourself:** What are the pros and cons of targeting these markets? What can we learn?

#### **Brazil**

- Emerging market
- Close proximity to the Caribbean
- Language may be an issue
- Major issues poverty and crime

### Russia



- Expansionist tendencies
- Economic sanctions, strained relations with G8
- Corruption is a common complaint

#### **China**

- Emerging as economic power
- Strong in manufacturing
- Significant cultural differences
- Freedom of information challenges

#### India

- Commonwealth country
- Familiar practices
- English widely spoken
- Cultural considerations
- Inequality of wealth

#### **South Africa**

- Abundance of natural resources
- Transitioned to democracy
- Crime rate in major cities
- Distance to market













### 'Next 11'

Identified by financial experts as having a high potential of becoming, along with the BRICs, the world's largest economies in the 21st century.

**Ask yourself:** Should we be targeting these markets because they are the fastest growing? Will they be interested in our services, or will they become our main competitors?



- Bangladesh
- Egypt
- Indonesia
- Iran
- Mexico
- South Korea

- Vietnam
- Nigeria
- Pakistan
- Philippines
- Turkey



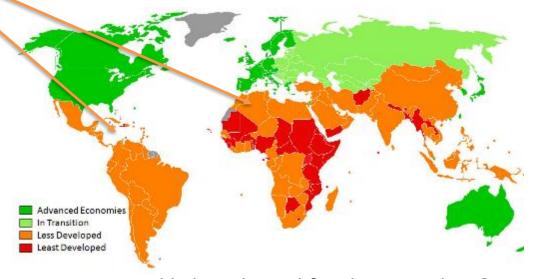
# **Developing Economies**

Typically, these are nations with lower GDP and an underdeveloped industrial base. Since the 1990s developing countries have tended to demonstrate higher growth

rates than developed countries.

 Service firms may find IFI-funded opportunities in these markets

 It may be easier to do business in markets that are similar to our own



**Ask yourself:** Which of our current services can readily be adapted for these markets? Who funds projects within these markets?



### **Sources of Market Information**



# Organizations (Domestic and International)

- Trade promotion organizations
- Government line ministries
- Business support organizations
- Industry and sector associations
- International financial institutions
- Bilateral trade associations
- Banks and investment agencies
- Educational institutions
- Market research firms
- Competitors



# Public Domain (Print, online and other media)

- Newspapers (online and print)
- Trade journals
- Commercial market studies
- Trends monitoring
- Electronic bulletin boards
- Radio and television



# Networks (Past, present, future)

- Social media
- Other exporters
- Partners
- Alumni
- Diaspora
- Overseas students
- Overseas family members
- Surveys



### **CIA World Factbook**

<u>The CIA World Factbook</u> provides information on the history, people, government, economy, geography, communications, transportation, military, and transnational issues for 267 world entities. It is a good place to start to find general information about countries/markets you may be targeting.



www.cia.gov



# **Doing Business** in 189 Economies

The *Doing Business* is a World Bank initiative which provides objective measures of business regulations for local firms in 189 economies and selected cities at the

subnational level.

### **Topics include:**

- Starting a business
- Dealing with licenses
- Employing workers
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Closing a business



www.doingbusiness.org



## **Module 2.2 – Researching Sectors**

### Information that increases understanding of a sector includes:

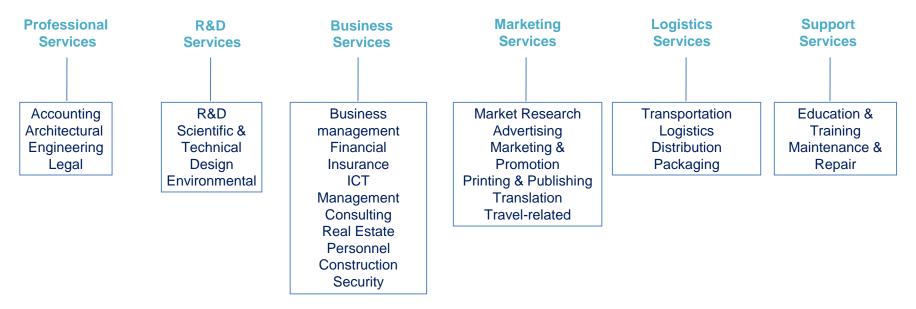
- Market size
- Demographics
- Key players
- Buying patterns
- Growth trends
- Opportunities
- Challenges
- Competitors
- Strategies





# **Services Supply Chain (in manufacturing)**

An integral part of the manufacturer's business model (on average 45% value-added)



Do Indonesian manufacturers <u>understand the contribution of services</u> to manufacturing?



## **Information and Communication Technologies (ICT)**

### Information technology outsourcing in 2013 totalled US \$648 billion.

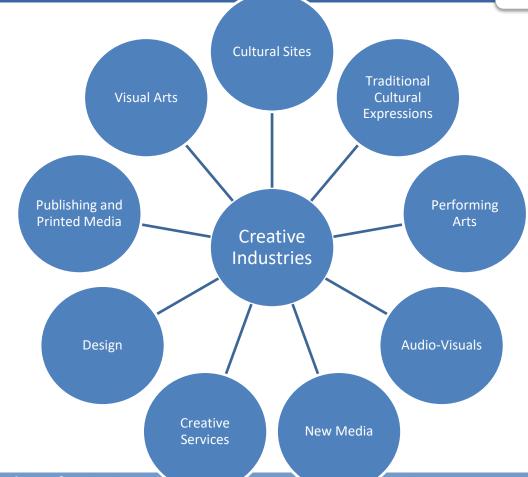
- IT Professional Services US \$309B
- IT Infrastructure Management US \$143B
- Application Development and Maintenance US \$70B
- Insurance and banking sectors will be the sectors in which ICT outsourcing will increase the most in the near future
- Gaining <u>access to new technologies and talent</u> are strategic reasons noted for IT outsourcing

Is ICT outsourcing an important export sector for Indonesia?

### Canada-Indonesia Trade and Private Sector Assistance Project (TPSA)

# **Creative Industries**

Which Indonesian creative industries have the most potential for export growth?



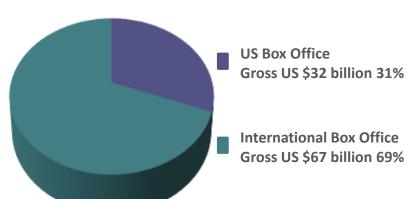
Source: UNCTAD



### Film Sector

#### **Consumer Trends**

Worldwide gross box office US \$32 billion



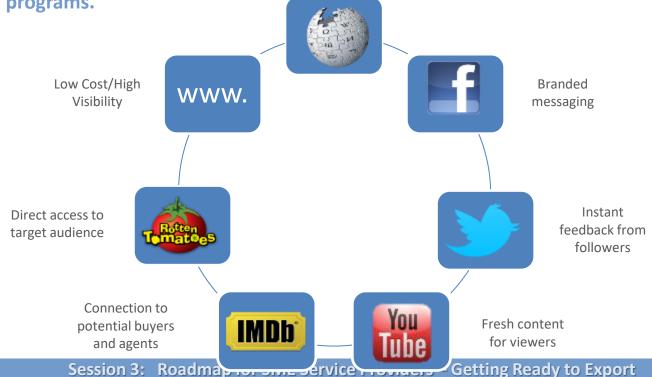
- Young people in the 12-24 age group continue to represent 22% of moviegoers and 30% of tickets sold, 51% of audience members were women, 49% men
- The highest grossing films in the US and Canada by genre are: Adventure -23.9%, Action-20.6% and Comedy -18.08%

India has been highly successful in this sector. What should Indonesia do?



# Marketing Films in the U.S. and Canada

Social Media Platforms have become an essential tool in the marketing strategy of films and television programs.





# **Medical Tourism – A Global Perspective**

#### India

Reported they will reach US\$1 Billion in annual revenues from medical tourism this year

#### **Jordan**

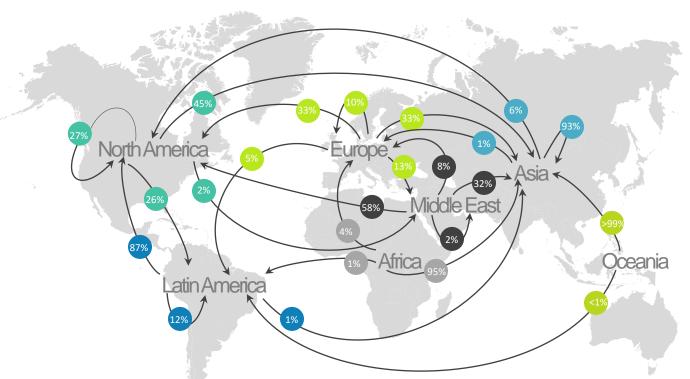
Treated 120,000 international patients over a 12 month period between 2012 and 2013

#### South Korea

Earned USD \$110 Million in 2011 from medical tourism

### **Argentina**

Reported the average LOS of a medical tourist as 12 days





Researching Sectors

**Medical Travel** 

### Value Chain – Health Tourism

**Therapeutic** Treatment

Wellness Care

Client Focus on Overall Acute & Chronic **Chronic Conditions. Wellness Promotion & Maintenance Medical Conditions Optimizing Health** Wellness **Complementary & Alternative** Conventional Seeking **Promotion** Medicine Medicine Relaxation, Meditation Alternative therapy Can Indonesia General surgery Services Massages, Spa Services **Homeopathy** Orthopaedic surgery **Products & Consumables** Reiki Cardiac Surgery & Care compete in this Yoga, Tai-Chi, Pilates Chiropractic **Neurology & Neurosurgery** Fitness and Coaching Acupuncture Dental procedures sector? Weight Management Reflexology Ophthalmic procedures **Stress Management** Massage therapy Wellness Tourism? Counselling & Education Cosmetic surgery Water therapy **Nutrition & Cooking** Osteopathy Weight Loss Surgery Wilderness retreats Occupational therapy Or Medical Tourism? Medical treatments Nature & Fco-tourism Weight Loss Programs Dialysis treatments Spiritual & Cultural Events Fitness counselling Cancer Care Rehabilitation **Cosmetic Treatments** Physician Consultations/Treatment Fertility treatments Allied Health Services Consumables Vitamins, Natural and Herbal Products Medications **Facilities** Spas/Resorts/Boutique Hotels Clinics Hospitals **Instructors, Coaches and Trainers CAM Practitioners Physicians** Service **Therapists** Therapists and Allied Health Professionals **Providers** 



# **Other Growing Sectors**

### **Environmental Services**

 Solar-related possibilities, coupled with growing expertise in the sector and a strong focus from international donors makes environmental services a key growth sector in the region

#### **Education Services**

 With its proximity to Latin America, the possibilities for CARICOM as a home to ESL training is strong

### **Sports Tourism**

 Warm weather year-round, water sports, internationally recognized athletes and sound facilities help to position the Caribbean as a contender in the international sports tourism market





# **Module 2.3 Gathering Market Intelligence**

Your Target Markets are not only "geographical markets", but can also be "types of clients or client groups"

**Client Intelligence** 

Sector Intelligence **Competitive Intelligence** 



Will inform:

- Greatest benefit, lowest risk
- Best fit with company's capabilities
- Suitability of services
- Potential clients
- Existing competitors



# Where to Find Client Intelligence

### What are the best sources of information on clients and prospective clients?

- The clients themselves
- Your network of contacts
- Word of mouth referrals
- Online research, including online reports
- Social media
- Association membership
- Opportunity listings
- Conferences and events
- Government trade offices





### **Niche Markets**

<u>Indonesian companies should find their niche markets – matching supply with demand.</u>

Sector Examples	<b>Supply</b> (Your niche services)	<b>Demand</b> (Your niche clients)
ICT	Specialist IT skills at a competitive price	Companies who outsource
Health and Wellness	Executive wellness retreat	Large corporations in N. America / Europe, insurance companies
Creative	Commercial video production	Companies that want to sell online



### **B2B** or **B2C?**

B2B, B2C or both? The selling and buying processes are different.

### **Business to Business (B2B)**

- Strategic alliances common two way trade
- Purchase made on logic
- Sales transactions take longer
- Longer-term relationship
- Credibility, dependability
- Often driven by ability to generate revenue or save costs
- Price depends on provision of value
- Possibility of referrals to other companies



### **Business to Consumer (B2C)**

- From business to consumer
- Purchase made on emotion
- Quick buying decisions
- Interested in immediate benefits
- Online shopping / easily accessible
- Price conscious



# **Your Competitiveness**

In the service sector, competitiveness is often related to one or more of the following factors:

- Quality ability to provide the highest quality standards
- <u>Price</u> ability to provide better value for money (lowest price may not always be differentiating factor if need is better met)
- Solution ability to customize your service to meet the customer's specific needs
- <u>Supply</u> ability to provide a service not otherwise being provided





# Where to Find Opportunities

Opportunities in Indonesia will have similar characteristics to opportunities in your target market.

- Procurement read country news, look for new announcements, policy initiatives
- Events Attend major international events to network, stay abreast on sector news and identify potential partners
- Trends Be aware of growing trends
- Technology Become technologically savvy (opportunities to deliver services electronically)





### **Events in Other Markets**



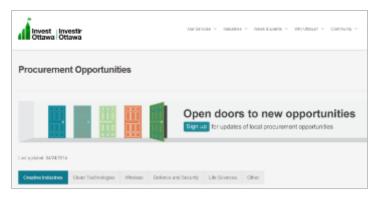
- Look for current events in your target markets (this event is targeted at Canadian business interested in the Latin American market)
- Research the presenters
- Incoming buyers: in the infrastructure, ICT, clean technology and mining sectors
- Market experts: from each of the countries with links to their websites

A great source of market intelligence! Become a 'virtual' participant!



### **Subscribe to E-Newsletters**





- Opportunities can land in your inbox every single day!
- Take a moment to respond to the sender. You never know when an opportunity will come up!



# **Register on Expert Databases**

### International agencies keep rosters of consultants. You must be registered!

- Find out how they source
- Look for registration form/database
- Fine-tune your cv, use key words
- Watch for procurement notices, ebulletin boards
- Find unique ways of raising your profile
  - comment on papers
  - volunteer to write papers/articles/blogs
  - offer to be a speaker

### **NEWSLETTER 215**

Online registration available by clicking

Experts Database

Our Staff will contact you for new opportunities matching with your profile

### Register to be included in the Consultants' directory

To register to appear in the Consultants' directory, an online database of AES members providing commercial evaluation services, please complete the form below or you can download the registration form and return it as instructed.



### **Potential Markets**

Consider the geographic proximity of target markets and ease of doing business.

Indonesia – export your services to incoming buyers - easy

 Asia – close to home / trade agreement - a good place to start (less costly and less risky)

North America – target specific states? specific niches?

Europe – trade agreement – but which countries? which services? what is your competitive advantage? do you speak the language?



Remember: Do not only target countries, but also niches.

Session 3: Roadmap for SME Service Providers – Getting Ready to Export



# Summary of Factors to Consider in Selecting an Export Market

#### **Market Information**

- Political stability
- Legal framework
- Market access / bilateral agreements
- Entry requirements
- Economic trends
- Business practices
- Cost of doing business
- Language and cultural similarities

#### **Sector Information**

- Known demand for your service in the market
- Easy market access
- Potential partners
- Industry standards
- Adaptation requirements

### **Market Intelligence**

- Customer needs
- Existing contacts
- Competition
- Opportunities
- Sources of assistance



# **Module 3.1 Your Marketing Plan**





# **Module 3.1 Your Marketing Plan**



Put pen to paper; a marketing strategy should be well thought out and documented.

#### **Situational Analysis**

This will include a summary of the results of your market research.

#### **Value Proposition**

What you have to offer, to whom and why.

#### **Objectives**

Should be definable, achievable and specific.

#### **Marketing Strategies**

Focus on strategies that will make the most impact.

#### **Implementation**

Timetables, financial resources, human resources.

#### **Review/Reassess**

A successful marketing plan needs to be changed and updated to best respond to market needs and realities.



# The "International" Marketing Mix

**The Many Ps of International Marketing** 





## Differentiation

- How are you different?
- What are the benefits to your clients?
- What is your USP? (Unique Selling Proposition)
- Why buy from someone from Indonesia?





# **Relationship Marketing**



### Government

Committees
Advisory Groups

#### **Associations**

Business Support Organizations Sector Groups

### Networks

Business to Consumer (B2C)

**Business** 

Business to

**Business (B2B)** 

### Social Networks

Special Interest Groups

Diaspora

Alumni

Who in Indonesia can help you build international networks?

### Session 3: Roadmap for SME Service Providers – Getting Ready to Export



# **Preparing for a Networking Event**

#### **BEFORE**

- ✓ Do your research
- ✓ Ask for a participant list
- ✓ Write or call key contacts
- ✓ Set goals
- ✓ Prepare marketing material

#### **DURING**

- ✓ Arrive early
- ✓ Mingle and work the room
- ✓ Listen
- √ Share information

#### **AFTER**

- ✓ Make notes
- ✓ Follow-up
- ✓ Stay in touch





# **Strategies for Establishing Profile and Credibility**



#### 1. Credentials

✓ Feature credentials on all marketing materials



#### 2. Referrals and Testimonials

✓ A powerful tool to promote in order to minimize client's perception of risk



#### 3. Join Business Associations

✓ Effective in expanding/nurturing your networks



### **4. Participate in Networking Events**

 ✓ Gain visibility/profile and join committees and sub-groups



### **5. Public Speaking Appearances**

- ✓ Identify international speaking events geared to your expertise
- ✓ Share tips and information that will demonstrate your knowledge of the subject matter



### **6. Strategic Alliances**

✓ Partner with a known/respected company to enhance credibility by association with them



#### 7. Media Strategy

✓ Use the media to gain profile and credibility



### **Curriculum Vitae**

### Quality

Professionally formatted, concise and error free

### **Informative**

Educational and work experience can be supported with references

### **Format**

Available in various formats (standard format or EU format)

### **Consistent**

Consistent with other promotional materials

### **Biography**

Half to full page used for promotional purposes





# **Module 3.2 - Your Online Strategy**

Goals Target Audience • Content Creation Tactics Measure Repeat



### **Technology: The Transformation of Business and Trade**

### If it is <u>not</u> on the Internet, <u>it does not exist!</u>

- Global business is impacted by the 'global network mindset' of consumers/customers
- SMEs can become global without leaving home
- SMEs can compete effectively with large, international firms

### Size of the World Wide Web

- 1995 Almost 19,000 websites
- 2001 36.2 million websites
- 2006 100,000,000 websites
- January 2014 180,000,000 active websites



# **Benefits of Being Online**

A successful online presence <u>enhances profits</u> through <u>increased sales</u>, <u>improved</u> savings and more <u>efficient</u> <u>management</u>.

- Expanded market reach
- Advertising savings
- Boosted brand recognition
- Enhanced credibility
- Increased opportunities for collaboration
- Improved/cheaper business inputs
- Enhanced innovation and competitiveness
- Improved customer relations





# **Important Online Platforms by Industry**











# Fashion Designers

- Pinterest
- Instagram
- Polyvore
- Shopflick
- StyleCaster

### **Architects**

- Houzz
- Pinterest

# Marketing Professionals

- Pinterest
- Instagram
- SlideShare
- Dribble
- DeviantArt
- Behance

### **Tourism-Related**

- Pinterest
- Yelp
- FourSquare
- TripAdvisor



The elements of your <u>on-line</u> tactical strategy might look like this.

Be sure it is comprehensive.

Your website is the <u>flagship</u>.

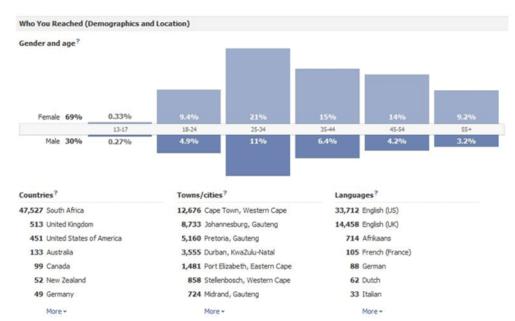




### **Measure Results**

### There are many free and paid-for tools you can use to gauge your online success.

- Size of community
- Traffic to website
- Number of comments
- Number of leads
- Number of click-throughs
- Number of conversions
- Revenue earned through online sales
- Number of Shares / Likes / Mentions / Retweets





# **Essential Online Tools for Service Exporters**

Your online strategy can be <u>comprehensive</u> and <u>intricate</u>. These are the basic 'must-have' tools.



#### **A Website**

- Mandatory
- World-Class
- Up-to-Date
- Dynamic
- Credibility Booster



### A Social Media Presence

- Mandatory
- Think: Customer Service
- Adhere to Social
   Media Best Practices



# A Voice-Over-IP Account

- Mandatory for service exporters, including all key staff
- Use Skype features



#### **Email**

- The primary communication tool for service exporters
- Be professional
- Maximize on signature



# Why Email Marketing?

### Why?

- Increase sales
- Build brand awareness and credibility
- Strengthen customer relations

Reduce marketing costs

Inexpensive

Preferred method of 74% on adults online



#### **Best Practices**

- Use an email marketing service (MailChimp)
- Time your email sending
- Personalize name
- Use images
- Include a call to action
- Avoid excessive 'pitches' and focus on establishing credibility
- Promote email sign-up on your website and social networks
- Include an 'unsubscribe' link









#### How to Make Money With Facebook Landing Pages

March 22, 2013 By Jim Belosic + 1 Comment and 25 Reactions





For businesses, Facebook is only as good as it is valuable. Value can be defined in a number of different ways, but this post focuses on conversions and the bottom line: money. Calculating how much money they make from their Facebook Pages is difficult for businesses of all sizes. But instead of counting

#### Meet Me In San Diego?



### 10 Marketing Tips For June

27 June 2012 11:35

You are receiving this email as either a subscriber or a contact of Koozai.

Having trouble reading this email? View it in your browser.



Hi Dean. June is almost over but there's still time for the newest edition of **Koozmail**, with our favourite digital marketing articles from around the web.

If you have any feedback or have spotted great content, then please share your thoughts at feedback@koozai.com.



### **Your Website**

### Does your website include credibility boosters?

### For service exporters, the following are key:

- professional affiliations
- certifications
- licenses
- awards
- testimonials
- referrals
- examples of work completed
- links to papers published
- a blog to demonstrate a high level of subjectknowledge





No website? No problem? Build your own (Weebly, Wix, Wordpress, etc...)



# Why Social Media?

Social media is websites and applications that enable users to create and share content or to participate in social networking.

### Social media is useful to service exporters ,because it:

- offers wide, international reach
- enhances credibility
- is inexpensive
- collects feedback and improves service offerings and delivery
- enhances customer relations
- bolsters sales



Word-of-mouth marketing conducted via social media platforms is a highly convincing form of marketing.



There are hundreds of social media platforms.

The most important platforms (in general) for businesses are Facebook, Twitter and LinkedIn.







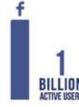




















AND POSTING







GOOGLE+

TO BUILD CIRCLES

GROWING RAPIDLY

NEW USERS EVERY DAY



LINKEDIN

















# Facebook, LinkedIn and Twitter

**Do Indonesian SMEs Use Regularly?** 





T

- Over 1 billion active users worldwide
- For building relationships with customers and boosting credibility
- Share content, images, events, promotions.

- Over 240 million active users, almost 80% over age 35
- Professional networking
- Company or personal description and profile page and share industry information
- Join industry groups and take part in the conversations.

- Messages (Tweets) limited to 140 characters
- Share current industry/company information (case studies, news, updates, new technologies) as soon as it happens.
- Post on Twitter often multiple times a day.
- Include a picture in your Tweets and pay attention to peak posting times.



# **Developing Opportunities Online**

**Case Study – Engineer** 

#### LinkedIn

- Re-connecting with former schoolmates and colleagues
- Search for linkages and opportunities

#### **Email**

- Start detailed dialogue to explore further
- Attach detailed curriculum vitae

#### Website

- Refer LinkedIn colleagues to website
- Testimonials
- Project profiles

#### **Skype**

- Develop project opportunity via weekly call
- Share screens to view documents in real-time

#### Adobe Connect

- Deliver online webinars to showcase expertise
- Key international clients invited



# **Module 3.3 – Winning Business**

<u>Services often need to be customized</u> to a specific market in order to meet business and cultural norms or customer preferences.

### **Examples of Customized Solutions**

- An <u>architectural firm</u> enables overseas clients to monitor the progress of construction by installing video cameras on-site
- A <u>training company</u> introduces an online delivery option
- An <u>ICT firm</u> offers staff exchanges to customize projects to specific requirements
- An <u>engineering firm</u> offers multilingual services





# **Costing and Pricing**

Strategic pricing is one of the most important factors in achieving financial success.

Be aware of export related expenses:

- Cost to customize your services
- Market research
- Business travel
- Local costs such as translation, interpretation or local representation
- Currency exchange rates and fluctuations
- Risks and receivables insurance
- Communication costs
- Withholding taxes

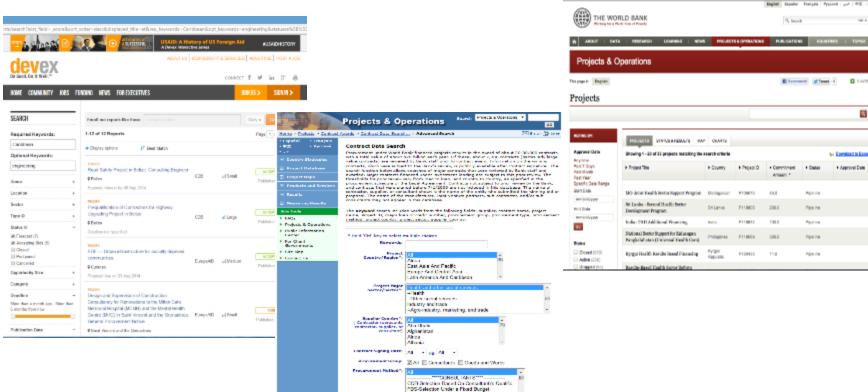


us Exertised to Excel

Approval Date



# **Listings of Project Opportunities**





# **Winning Proposals**

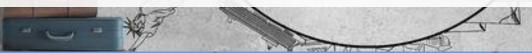
- Familiarize yourself with <u>procurement policies and procedures</u>.
- Establish a <u>strategic alliance</u> with an individual or firm in the project country.
- Address the terms of reference completely and clearly.
- Emphasize <u>innovative technical solutions</u>. Do not simply paraphrase the RFP.
- Cite directly relevant <u>technical and regional experience</u>.
- Be concise. Do not send unnecessary attachments.
- Break tasks into manageable pieces/phases.
- Focus on quality over quantity.
- Tailor your response to your client.







### **Module 4.1 Market Entry Options**





# **Module 4.1 Market Entry Options**

Services Suited to Each Mode	Mode 1	Mode 2	Mode 3	Mode 4
<ul><li>Accounting</li></ul>	•	•	•	•
<ul> <li>Architecture and Engineering</li> </ul>	•	•	•	•
<ul><li>Construction, Trades</li></ul>		•	•	•
<ul><li>Design</li></ul>	•	•		•
<ul><li>Education &amp; Training</li></ul>	•	•		•
<ul><li>Entertainment</li></ul>	•	•		•
<ul><li>Financial &amp; Insurance</li></ul>	•	•	•	
■ ICT	•	•		•
<ul><li>Health and Wellness</li></ul>		•		•
<ul><li>Management Consulting</li></ul>	•	•		•
<ul><li>Marketing</li></ul>	•	•		•
<ul><li>Sports</li></ul>		•		•
<ul><li>Shipping and Logistics</li></ul>	•	•		
<ul><li>Tourism-related</li></ul>	•	•		
<ul><li>Video and Animation</li></ul>	•	•		•



## **Why Strategic Alliances**

There are nearly 4 times as many services SMEs engaged in international alliances than manufacturing SMEs.

#### Why establish a strategic alliance

- Diversify services
- Accelerate speed to market
- Reduce costs
- Reduce risks
- Increase opportunities
- Gain credibility with a well-respected partner
- Ability to focus on core competencies
- Access to capital
- Access to technology





#### **Cultural Considerations**

Consider how understanding other cultures can have an impact on marketing, negotiations and developing long-lasting relationships

- Language, religion, gender, age
- Values, attitudes
- Business attire
- Verbal and non-verbal communication
- Body language, gestures, facial expressions
- Gift-giving, humour, protocol
- Ethics, human rights
- Business practices





### **Travel Preparation**

Advance preparation saves time and money and may help to avoid potential disappointments.

- Travel Documents:
  - Passports must be valid for 6 months after date of travel
- Visa Requirements:
  - Depending on the market, can sometimes take several weeks
     Check with the embassy or trade consulate
- Managing Costs:
  - Air travel check different airlines, and both direct and indirect routes
  - Hotels –ask for assistance from a local partner or client and negotiate, negotiate, negotiate





# **Module 4.2 – Financing and Getting Paid**

Clients

don't pay

on time

Suppliers are asking for cash payments

Investors not interested

. . to pay the

Unable to pay the salaries on time



Poor cash

Banks don't want to lend



Financial Institutions Don't Understand SME Service Firms

- <u>Financial institutions are risk-averse</u>, ultra-conservative and do not understand trade in services
- Most financing mechanisms are <u>set up for trade in goods</u>
- Service businesses typically <u>do not have physical assets</u> (building, equipment, inventory) to secure a loan
- Banks do not recognize intellectual capital as an asset
- Even with an order in hand, banks often will not count foreign receivables as an asset





### **Develop your Financial Plan**

#### **Your Existing Business**

Are your financials in order? Financial statements, planning and budgeting, cash flow projections, etc.

#### **Professionalism and Credibility**

Many service providers are not trained in finance and accounting. Delegate this function to someone who specializes in this area. Providing a professional package will boost your credibility with financial institutions.

#### **Make it a Priority**

You need to be involved, set the parameters, understand the opportunities and limitations of your financing portfolio and be prepared to take calculated risks.





### **Be Creative with Financing Market Research**

Finding economical ways to conduct market research can help alleviate the financial burden often associated with market research.

- Source existing studies and summarize for your own purposes
- <u>Tap into your network</u> to seek guidance and advice from those in the market
- Hire an international marketing student with the necessary research skills, who can also benefit from the experience
- <u>Find local partners</u> who are interested in a possible joint venture





#### **Financing the Cost of International Events**

#### Finance your participation at international events by offering your services.

- Offer to be a guest speaker be methodical about registering as a guest speaker – ensure your presentations are leading edge and highly professional
- Offer to prepare a post-conference report for the organizers
- Conduct market research or business to business meetings - for companies that cannot attend
- <u>Leverage the event</u> by setting up meetings with prospective clients and partners, conducting media interviews and sourcing business opportunities



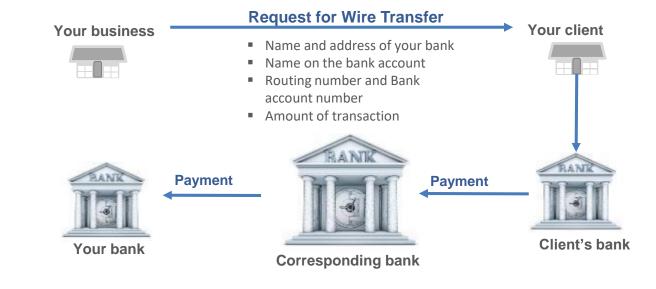
Speaking at an event is an instant credibility-booster!



## **Getting Paid**

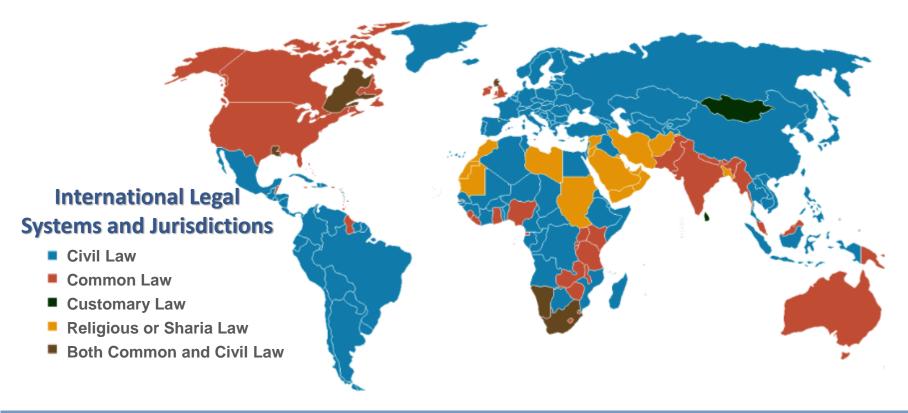
**Export of Goods: Purchase orders, commercial invoices, packing lists, letters of credit Export of Services: Contracts, invoices, wire transfers** 

- Wire transfers are universally accepted method of payment
- Important to have correct routing information (corresponding bank's routing number, sometimes referred to as a SWIFT code)





### **Module 4.3 - Legal Aspects**





### **Legal Considerations**

Know before you go. Take time to consider legal implications and other potential issues and how you will mitigate risk. Some of the considerations include:

- Policy, legal and regulatory environment
- Legal system and jurisdiction
- Intellectual property
- Dispute resolution, mediation, arbitration
- Health and environmental regulations
- Business practices
- Business ethics





#### **International Business Ethics**

Business ethics needs to be top of mind. The international trader must understand risks and how to balance ethics and the demands of the business.

#### **Ethical Issues**

- Bribery and corruption
- Piracy (software, music)
- Counterfeiting
- Social responsibility
- Labour practices, working conditions, child labour
- Human rights
- Racial and gender discrimination



# Needs of the business

Lower costs, higher profits...But is it worth the risk!



### **Group Discussion**

Do you now better understand how SMEs to help SMEs? What was the most interesting thing you learned in this module?

Next steps?