

DIT Qualitative Segmentation of UK Businesses Pen Portraits



Department for
International Trade

**BUSINESS
IS
GREAT**

BRITAIN & NORTHERN IRELAND





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1.

RESEARCH OVERVIEW

DIT's priorities and objectives have been laid out in the HM Government Export Strategy

DIT focuses on supporting all business sizes to export. However, not all business will need the same intensity and level of support.



Adopt a business-led approach to engage with current and potential exporters



Deliver value for money by applying a proportional approach to allocating export support



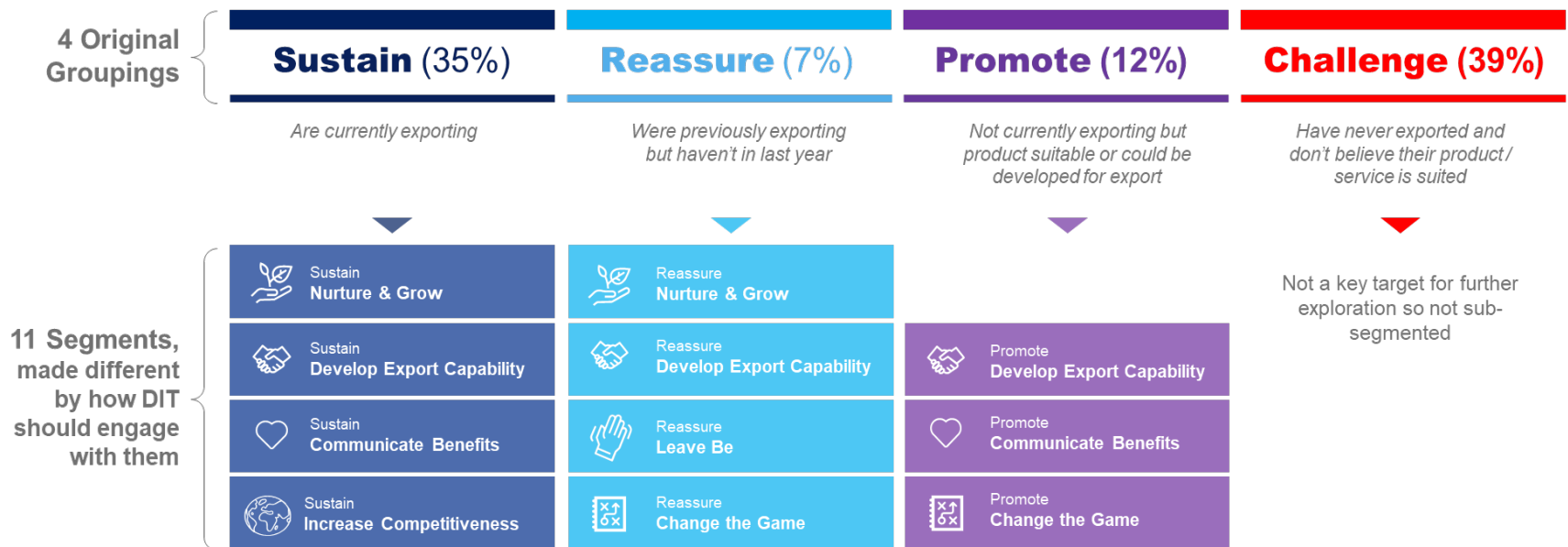
Help businesses address a range of practical barriers that are currently preventing them from reaching full export potential

- **According to the ONS***, there are **2,668,810 registered businesses in the UK** and **SMEs account for over 99%**. Of these, the clear majority are micro 0-9 employees (89.4%), small businesses with 10-49 employees represent 8.7%, MSBs represent 1.5%, and large businesses 0.4% (250+ employees).
- **According to HMRC**, **large businesses contribute the majority of the value of goods exports (55.8%)**, medium size business contribute 14.7% and micro and small businesses a combined value of 14.7%. As business get bigger they are increasingly able to cater for larger export contracts, owing to their larger size, resources and capabilities.
- **Turnover is a very good indicator to start directing businesses to the right support and arrive at a proportional approach to service provision.** Therefore, a key focus in this report is the estimated 425,000 businesses over £500k turnover. Having achieved £500k turnover, these businesses are of a scale where they have the potential to add significantly to the value of UK exports, but are not so large that they will always have already seriously looked into exporting.



A segmentation of the UK business population was created to help DIT work more effectively with businesses

- Purpose is to improve the efficacy of targeting, design, and delivery of export promotion services to UK businesses
- Four key groups based on businesses exporting journeys
- Across four groups, there are five types of interventions that businesses would benefit from



Qualitative research has sought to validate and embed the segmentation across DIT

Creating a series of pen portraits to bring to life and differentiate the segments

Each segment is illustrated with a composite pen portrait – humanising and essentialising it’s key characteristics

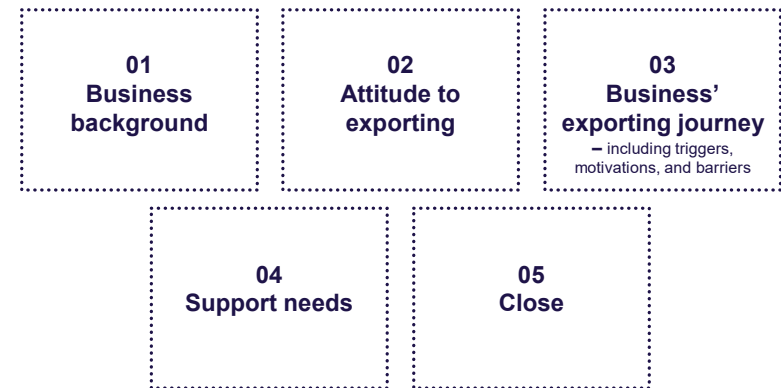
Method & Sample

- x60 1-hour teledepths with owners / senior decision makers – from survey recontact sample
- SME population - 0-249 employees, £500k-£50 million turnover, England only
- Range of sector, size, and location



Discussion flow

Businesses exporting journeys were mapped in the interviews



Segment	Interviews
Sustain: Nurture & Grow	10
Sustain: Develop Export Capacity	11
Sustain: Communicate Benefits	10
Sustain: Increase Competitiveness	10
Reassure	9
Promote: Develop Export Capacity	5
Promote: Communicate Benefits	5

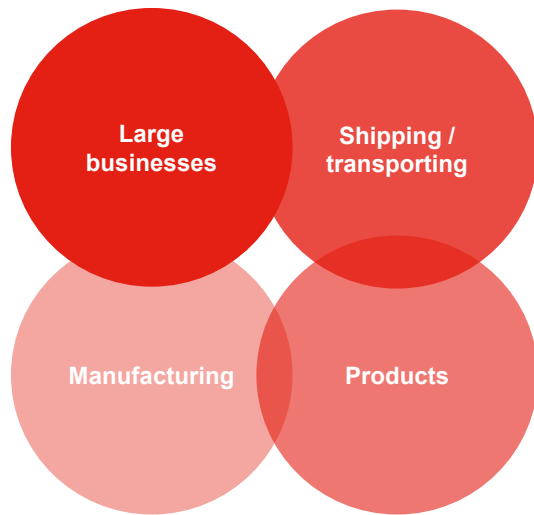
2.

OVERARCHING CONTEXTUAL FINDINGS

‘Exporting’ was widely associated with large businesses and the manufacturing sector

Some smaller businesses and those providing services who were exporting did not identify as ‘exporters’

These associations can act as a barrier and mean that some SMEs do not consider exporting to be for them*



Showcasing a wider range of exporters could help businesses to identify as exporters and show non-exporters that it is for them

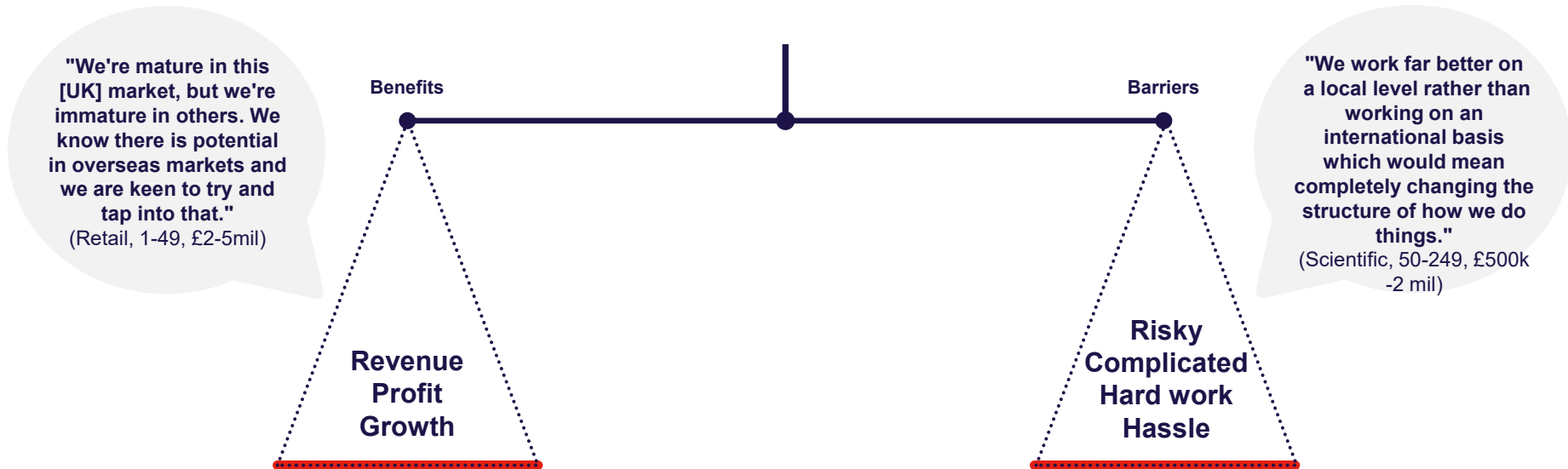
*Strength of colour indicates the extent to which each association was mentioned by the businesses that took part in the research

Exporting was widely seen to be risky, complicated, and hard work



- but potentially a profitable opportunity for those willing and able to take on this challenge

Overall business' approach to exporting was commonly haphazard – and decision making was characterised by constantly weighing up these risks and benefits



Businesses had commonly been triggered to start exporting reactively in response to client demand

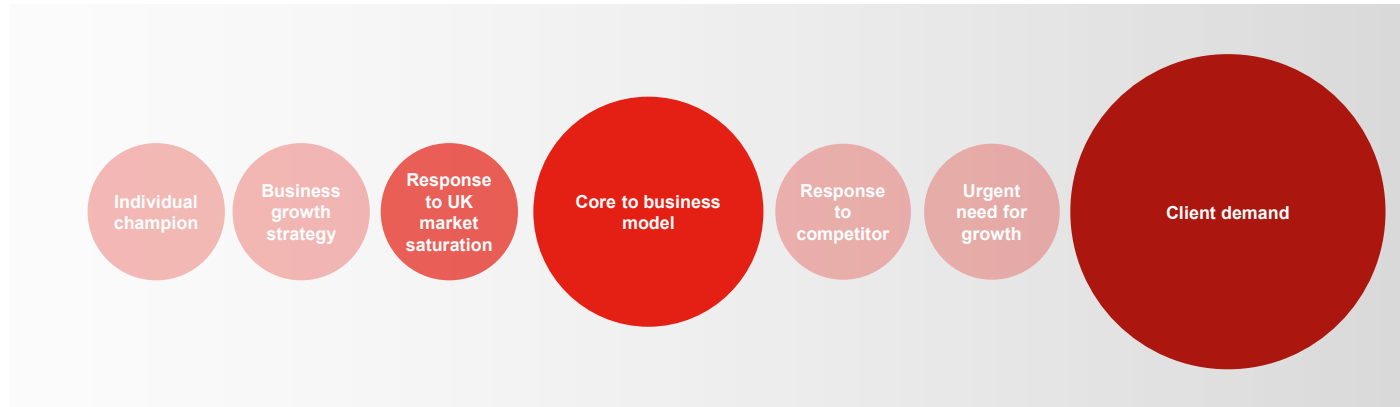


– although exporting was central to some companies' core business model

"People have come to us, and we wouldn't turn business down."
(Retail, 10-49, £500k – 2mil)

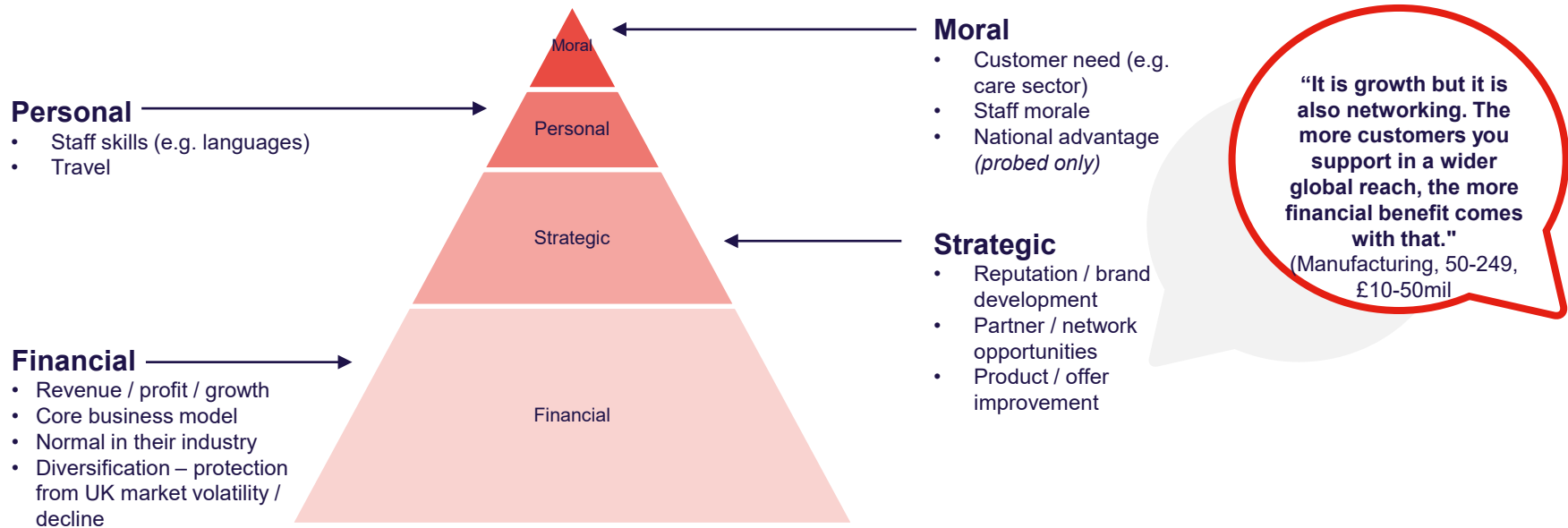
More proactive

More reactive



Profit and growth were businesses' main motivations for exporting

– but they were also driven by strategic, personal, and moral motivations



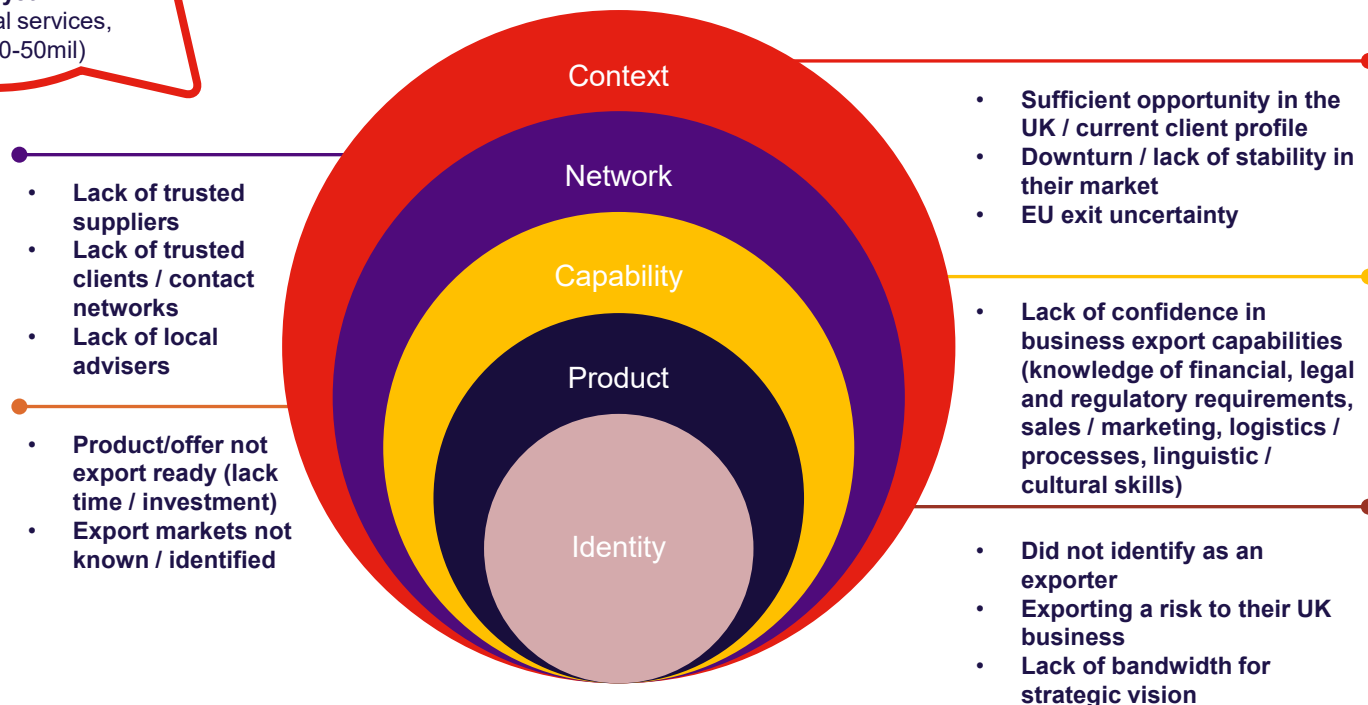
Case studies about financially successful exporters are likely to be the most effective way to motivate non-exporters

But businesses commonly faced multiple barriers which were preventing them exporting / exporting more

– which they said they did not have the time or resources to address

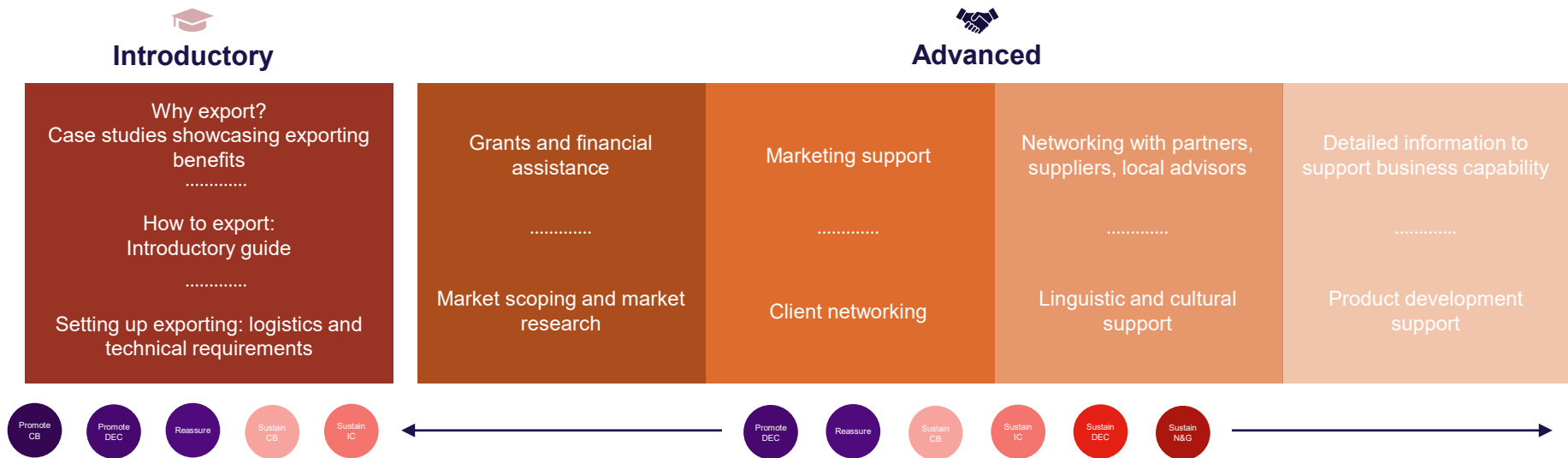
"We said no, as there is lots of growth happening here at home and we've been focussing on our short term goals, which have been taking all our energy. To export isn't for us yet."

(Professional services, 10-49, £10-50mil)



There were a range of support needs

– Promote / Reassure businesses commonly needed introductory information, while Sustain more commonly needed more detailed and specific support



Businesses did not generally see DIT as a source of exporting support – and wanted to know more about DIT's support offer and to see it advertised more widely



Harnessing businesses trusted networks is likely to be the most effective way to reach and engage them on exporting

Businesses commonly wanted information via email – but generally agreed they were likely to miss/ignore it



Trusted networks

- Trade / industry bodies, professional associations, FSB, CoCs
- Financial networks (HMRC, banks, insurers, tax agents, accountants)
- Regulatory bodies
- Shipping agents / freight forwarders
- Local growth hubs
- Business advice / entrepreneur networks



DIT website

- Advertise DIT support offer - send to website
- Improve website signposting and offer
- Reactive advice service (email and phone)



Social channels

- Social media posts (LinkedIn)
- Youtube tutorials
- Podcasts
- Interactive webinars



F2F advice

- Face to face advisory visits when setting up or changing direction
- Conference, seminars, trade fairs, exhibitions



Local Experts

- Local advisors and experts
- FCO reps
- UK businesses working there

"Where do I look [on the DIT website]? There is nothing here for me that I can see from this landing page ... its all stats but nothing about helping businesses."
(Accountancy, 0-9, £500k-2mil)

"There's so much junk mail that comes out as well that [information] does need to be seen to be coming from someone who is verified."
(Waste management, 0-9, £500k-2mil)

3.

PEN PORTRAITS

There were four key drivers of attitudes to exporting

– which characterised and differentiated the segments



Attitude to risk



- **Risk taker** – comfortable taking risks
- **Calculated risk taker** – weighs up risks strategically
- **Cautious** – nervous about taking risks
- **Risk averse** – avoids risk



Approach to exporting



- **Strategic** – engages in forward planning
- **Proactive** – actively seeking opportunities, but less strategic
- **Reactive** – responds to client demand
- **Disengaged** – turns down exporting opportunities



Confidence in export capabilities



- **Very confident** – very confident in skills and abilities
- **Confident** – confident in skills and ability to learn/prepare
- **Not very confident** – nervous about capabilities / skills
- **Not at all confident** – nervous about ability to grow skills



Identity



- **Global – open** – see themselves as a global business
- **Opportunistic** – open to reacting to global client demand
- **Global – closed** – exporting but not actively seeking new global opportunities
- **National – open** – open to becoming an international business
- **National – closed** – identify as a British business, exporting not part of their business identity

Attitude to risk, engagement, confidence, and identity characterise and differentiate the segments



SUSTAIN				REASSURE	PROMOTE	
Nurture & Grow	Develop Export Capacity	Increase Competitiveness	Communicate Benefits	Reassure	Develop Export Capacity	Communicate Benefits
Attitude to risk Risk taker	Calculated risk taker	Cautious	Risk averse	Risk taker	Cautious	Risk averse
Approach to exporting Proactive	Strategic	Reactive	Disengaged	Reactive	Strategic	Disengaged
Confidence in export capability Very confident	Confident	Not very confident	Not very confident	Confident	Not at all confident	Not at all confident
Identity Global - open	Global – open	Global - closed	Global – closed	Opportunist	National - open	National - closed



The categories have been attributed a colour according to the attitudinal thermometer, where a darker shade indicates more positive and lighter shades less positive exporting attitudes and behaviours

Looking for their next exporting opportunity

**A highly confident global exporter,
always seeking new business
opportunities**

Risk taker | Growth focused | Proactive

**SUSTAIN –
NURTURE & GROW | 9%**



Looking for their next exporting opportunity



Currently exporting and have been doing so for some time – skilled, resourceful, dynamic, and successful



Risk taker

Confident risk taker – sees risk as a key part of business, may have experienced loss in the past but confident to take risk in the future



Proactive

Proactively seeking new opportunities; looking to grow and make profit and exporting is part of this – and know they could be doing more



Very confident

Very confident in themselves, their business and product – and their ability to sell it



Global - open

Global business – the world is their oyster

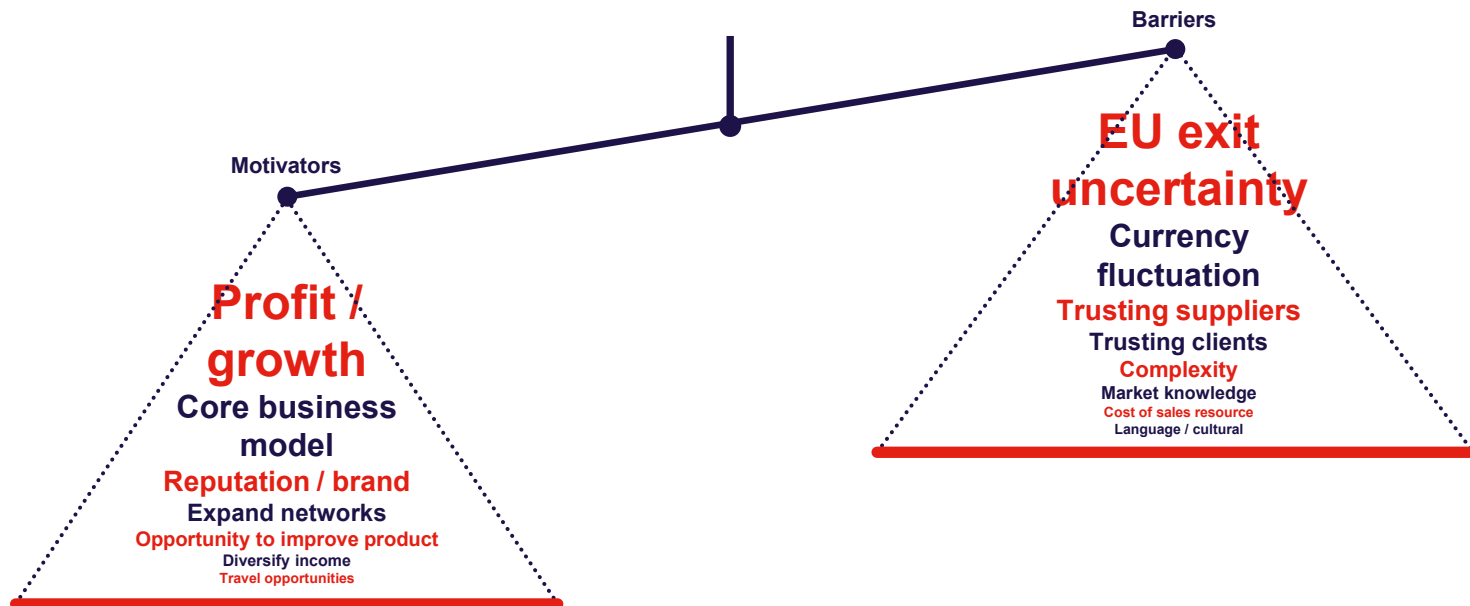
“The opportunity to make money is vast ... the potential for business, outweighs the difficulties.”

(Retail, 10-49 employees, £10-50 mil)

Looking for their next exporting opportunity



Drive to grow, make profit, and expand their product/service outweighs risks and motivates them to overcome complexity barriers



Looking for their next exporting opportunity



Recommended messaging



MANAGERIAL CAPACITY

Majority agreed that their business has enough managerial time to focus on exporting

Three quarters (75%) agreed that their business has the capability to assess international competition

But 49% did not think that their business has the capability to undertake a market research study



ATTITUDE TO SUPPORT

Whilst already having some of the most developed exporting skills, capabilities and set-up, these businesses were more interested than others in receiving support

More likely to have heard of/visited the Exporting is Great site than other businesses

Over three quarters (77%) thought that they had good knowledge about where to go for help and support with exporting



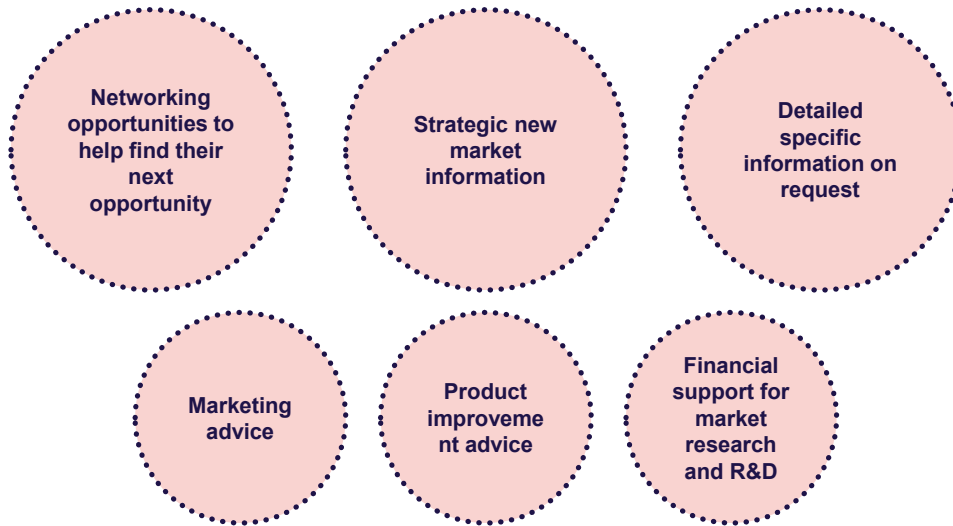
RECOMMENDED MESSAGING

It is great that you are already exporting champions – and that you know how to find support – but there is more specialist support available from DIT to help you grow and expand your portfolio further

Looking for their next exporting opportunity



How to support these businesses: help them find their next export opportunity and provide detailed technical information on request to add to their current expertise and experience



Channels and messengers

Happy to use the DIT website but want to see improved signposting

Trusted networks - professional associations, trade bodies, FSB, Chambers of commerce, entrepreneur networks, shipping agents, buying groups (manufacturing)

Trade press

Conferences and seminars

Direct email

Could be exporting 'Champions' and give advice to other businesses

Case study: SME operating in luxury leisure / hospitality sector



SUSTAIN – NURTURE & GROW | 9%



- exporting 15-20% of their business to France, Spain, Italy, Switzerland and a some countries outside the EU

Profile

Leisure / hospitality

10-49 employees

£2-5 million turnover

"It's a statement in the industry that you are trusted and can successfully work in another market."

Exporting story

- **Been exporting for 15+ years.** Very positive about the opportunities it presents and keen to expand their portfolio over the next five years. A confident risk taker, need to take risk to grow. Harnesses their networks to find new opportunities. Confident in their ability to sell their product and address project challenges as they arise. Desire to expand further across Europe.
- **Initially triggered by a query from a client** who came to them via a customer referral – and now gain work through their client networks.
- **Profit and growth are key motivators**, they want to expand the business and charge higher profit margins on export work. International work boosts their reputation and luxury brand and brings them 'kudos' in the UK market too. Business relies a lot on referrals and word of mouth, so international work expands their client network. Participant also personally enjoys international travel and good weather opportunities.
- **Have faced risk and challenges** – but always worked to overcome them to grow the business. Have faced language barriers, but always found good interpreters. Check health and safety and employment regulations carefully, as they have been fined for breaches. Plan extra resource for logistics and find trustworthy suppliers in new markets for high quality equipment and logistics.



Support needed

- DIT-led proactive work with embassies, signposting to UK businesses
- Access to local experts
- Financial grants for market sizing and market research and tax relief
- Easy to navigate, up to date portal with regulations for each country (e.g. tax, VAT, employment & H&S regulations)

Channels / messengers

- Chamber of commerce
- Trade press

Working to achieve steady, sustainable growth

A solid and reliable business, looking to steadily increase exporting potential

Strategic | Precise | Professional

SUSTAIN –
DEVELOP EXPORT CAPACITY | 9%



Working to achieve steady, sustainable growth



Currently exporting and has been doing so for some time – a quality focused, safe pair of hands



Calculated risk taker

Risk is necessary - but seeks to minimise risk by identifying the best value opportunities



Strategic

Strategic approach to exporting – sees exporting as important to growing the business; will conduct comprehensive research and prepare thoroughly



Confident

Confident in their product and business - know that they are prepared, highly skilled and capable



Global – open

A global identity – looking for their next best value opportunity

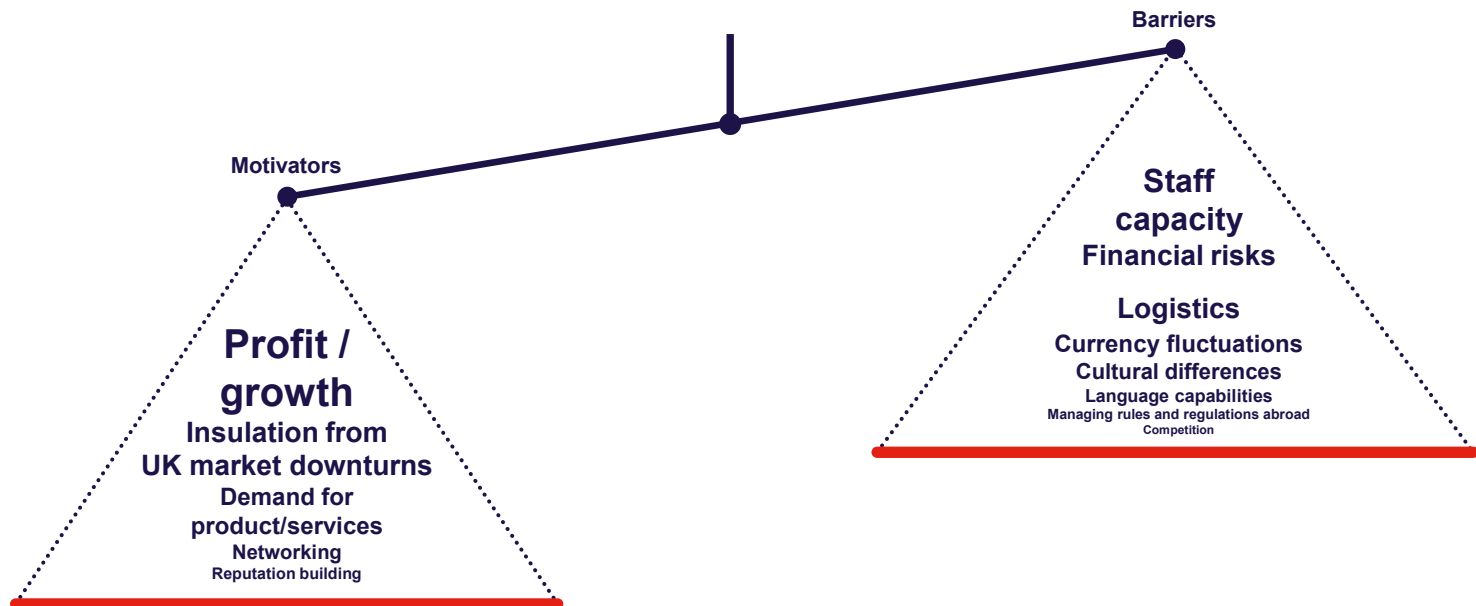
“I’m sure there is a market out there that we can tap into. It is just a matter of how do we do it and how do we safeguard ourselves.”

(Manufacturing, 10-49 employees, £2-£5 mil)

Working to achieve steady, sustainable growth



The benefits of exporting outweigh the costs – but need to be confident of the reward to take the risk



Working to achieve steady, sustainable growth



Recommended messaging



MANAGERIAL CAPACITY

Most agreed that their business has enough staff capacity to focus on exporting

Almost three quarters (74%) agreed that staff in their business have enough skills to focus on exporting



ATTITUDE TO SUPPORT

Open to receiving support, but majority do not think that they have good knowledge about where to go for help, information and support with exporting

Were less likely to think they had good exporting knowledge than other businesses – and are keen to expand their knowledge further

Almost half (48%) are interested in support with exporting



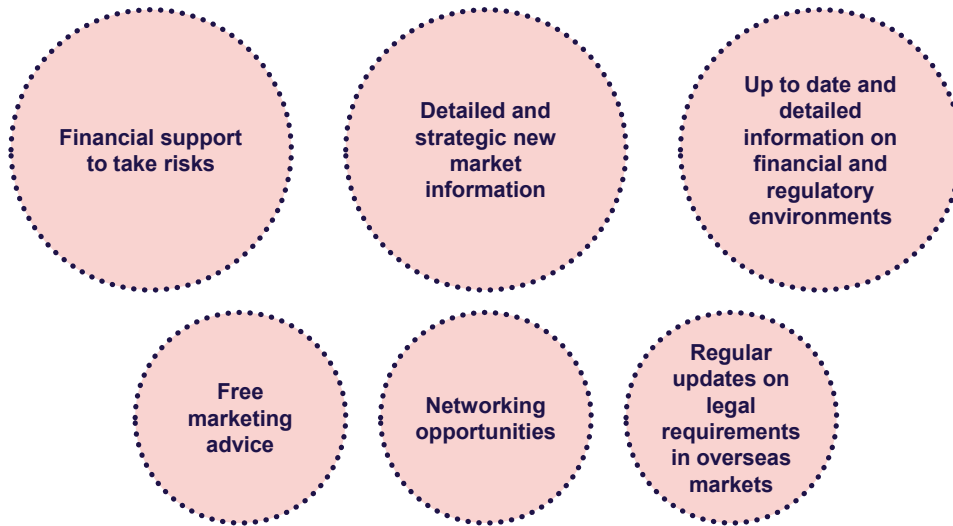
RECOMMENDED MESSAGING

It is great you are already an exporting champion – DIT can support you expand your portfolio further by providing up to date and technical information and advice to help you make the best exporting choices

Working to achieve steady, sustainable growth



How to support these businesses: help them to take risks and provide detailed and precise information about new market opportunities for them to evaluate themselves



Channels and messengers

Enhance visibility of DIT services and show how it is relevant to those with exporting experience

Improve signposting on DIT website

Regular updates with latest information and changes

Social media targeting

Interactive webinars

Direct email

Demonstrate relevance of DIT support services to reassure of next steps and to enable them to take risks more confidently

Case study: manufacturer and provider in heat treatment industry

SUSTAIN – DEVELOP EXPORT CAPACITY | 9%



– exporting to the Far East, Singapore, Malaysia and within Europe

Profile

Engineering and manufacturing

50-249 employees

£10-£50 million turnover

"In the business we are in, the world is our oyster really. But it is about picking the right markets."

Exporting story

- **Set up 25+ years ago. Focus always been UK market but began exporting due to a customer enquiry** – they see exporting as important to growing the business, so following this enquiry, they began to market themselves as a global business via their website to build on this opportunity.
- **Optimistic about future exporting capabilities and open to exploring new markets but wants support** to do this. A calculated risk taker and seeks to minimise this risk.
- **Global demand for their products/services are the main motivation for exporting**, and recognises that this helps to build their international reputation and generate profit. Confident that their product is relevant to overseas markets
- **They have faced challenges when it comes to securing payments and hold back if they think there are significant financial risks to the business.** Need to be sure that they will get paid - often this relies on local knowledge of rules and practices elsewhere.



Support needed

- Networking opportunities
- Advice on accessing new markets
- Access to grants to help manage financial risks
- Local knowledge of markets

Channels / messengers

- Chamber of Commerce

Contentedly working hard on what they know

An experienced, capable and respected professional or craftsman, working hard to maintain their business, but lacking a sense of urgency to drive innovation

Satisfied | Solutions oriented | Stable

SUSTAIN –
INCREASE COMPETITIVENESS | 9%



Contentedly working hard on what they know



Currently exporting and been doing so for some time – earnest and likes security but not innovating



Cautious

Cautious approach to taking risks – worked hard to build their business and content and satisfied with their business model and current exporting profile



Reactive

Does not proactively seek new opportunities, however will reactively expand exporting profile to protect or maintain business or if it is offered without requiring significant risk or resource



Not very confident

Confident in their current product / service but less confident in their ability to take on new risks and/or change their current, successful model



International
- closed

International business – curious about new exporting opportunities but not very proactive in seeking them

“As long as we keep on shipping high quality product at a fair price, then our customers aren’t going to look to change. If they change supplier, and don’t get the same quality, that creates a huge problem for them.”

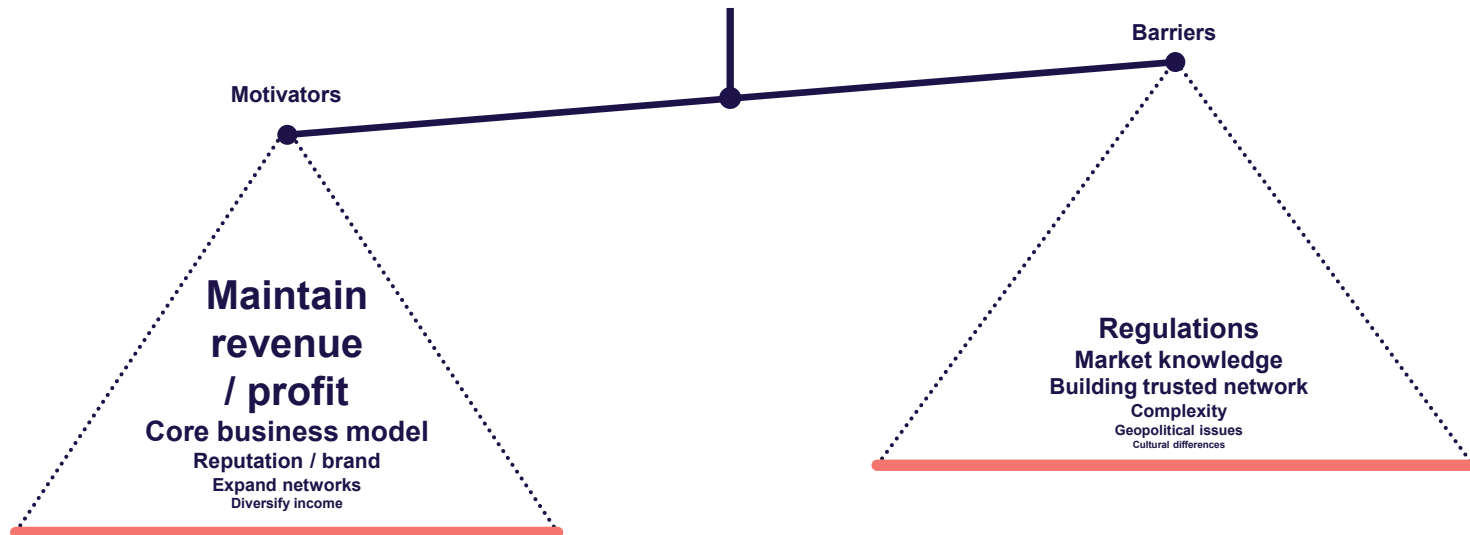
(Manufacturing, 10-49 employees, £10-50 million)

Contentedly working hard on what they know

SUSTAIN – INCREASE COMPETITIVENESS | 9%



Drive to maintain revenue and market position outweigh the barriers to exporting



Font size indicates the importance of the barrier/motivation across the segment sample

Contentedly working hard on what they know

SUSTAIN – INCREASE COMPETITIVENESS | 9%



Recommended messaging



MANAGERIAL CAPACITY

More likely than most other businesses to agree that they have staff capacity to focus on exporting

86% agreed



ATTITUDE TO SUPPORT

Most are not interested in information and business support services to assist them with exporting

15% were interested



RECOMMENDED MESSAGING

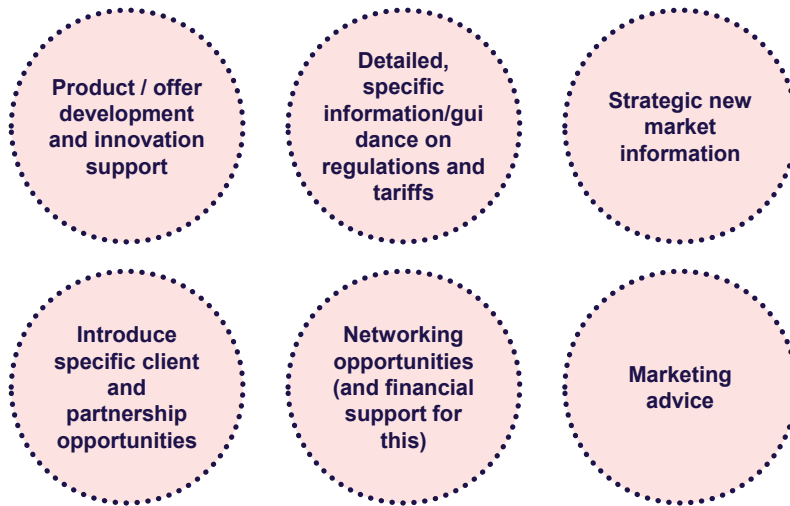
Communicate the risks to their business of not innovating in their market and show that DIT can demonstrate the potential value to the business of growing their profile

Contentedly working hard on what they know

SUSTAIN – INCREASE COMPETITIVENESS | 9%



How to support these businesses: persuade them of the need to innovate and risks of not doing so – and help them to find new markets



Channels and messengers

Improve DIT website signposting

Trusted networks - professional associations, trade bodies, Chambers of commerce, buying groups (manufacturing)

International networking

Direct email – specific and tailored advice

DIT support to focus on the value of innovation and change to growth their business

Case study: well established company

SUSTAIN – INCREASE COMPETITIVENESS | 9%



- produces and supplies ingredients for clients in food manufacturing and pharmaceuticals

Profile

Manufacturing

10-49 employees

£10-50 million turnover

Some of our customers we've had a relationship with for 50 years so we know we can trust them."

Exporting story

- **Been exporting for 100+ years, since the start of the business.** They have a loyal customer base around the world; the specialised nature of the products and expense of product testing ensures a long term investment from their clients - they have served some clients for 30+ years.
- **Exporting is a core part of their business model.** They have worked hard to build trusted networks of clients, suppliers and local experts; and they are committed to continuing to work diligently to maintain what they've built.
- **Confident in their product and their ability to address challenges** in countries where they have a history of exporting and have built strong networks. However, they are less likely to take risks, and seek out new opportunities, unless driven by a downturn in the market or to meet a client's needs. Willing to consider highly calculated risks only when necessary.
- **Maintaining a steady revenue is a key motivator.** The business relies on exporting to continue to make a profit.
- **Face challenges when it comes to receiving** payments on time because of international banking systems; and they face challenges when they have to wait long periods of time to get their products tested for use and insured.



Support needed

- Access to local experts in new markets
- Financial grants for market research and to attend conference to build new networks
- Easy to navigate, up to date portal with sector specific information about regulations, by country

Channels / messengers

- Chamber of Commerce
- Trade associations and press

Content with the status quo

Had often grown their exporting profile organically without needing a great deal of risk or resource, and now satisfied with their exporting status quo

Content | Complacent | Disengaged

SUSTAIN –
COMMUNICATE BENEFITS | 7%



Content with the status quo



Currently exporting and have been for some time – exporting was either triggered by an individual champion or client demand – and fitted their model and did not require significant investment / risk



Risk averse

Content with current profitable exporting profile and arrangements and adverse to taking new risks which might threaten this or incur costs



Disengaged

Exporting came about organically either from a change in staff or through client referral – proactively seeking new clients is not a priority as take current success for granted



Not very confident

Confident in current model – but not confident in their ability to move into new areas – as current exporting profile was relatively easily set up (particularly sector specific regulations)



International - closed

Prefer to play it safe and keep steady – rather than looking for new opportunities and taking risks to grow the business

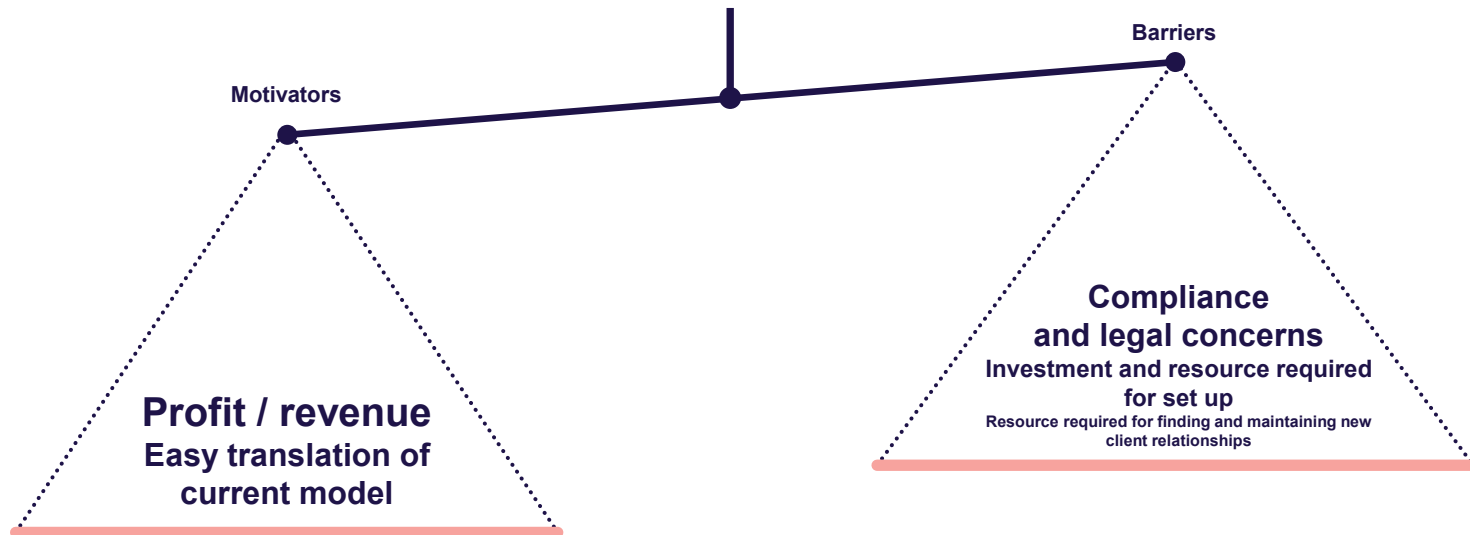
"Its just another revenue source for us, not sure what else there is to say ... there are not really any other benefits."

Accountancy, 1-9, £500k – £2mill)

Content with the status quo



Motivations currently outweigh barriers – but only when exporting is low risk and does not involve too much hassle, risk, and additional resource



Content with the status quo



Recommended messaging



MANAGERIAL CAPACITY

Three quarters felt that they had the capability to assess the cost of exporting

But only 44% felt that there is opportunity for their business to grow internationally – less than other businesses



ATTITUDE TO SUPPORT

Less likely than other businesses to want information and business support services to help with exporting

Most had not heard of or visited the Exporting is Great site

Only 8% had heard of/visited the site



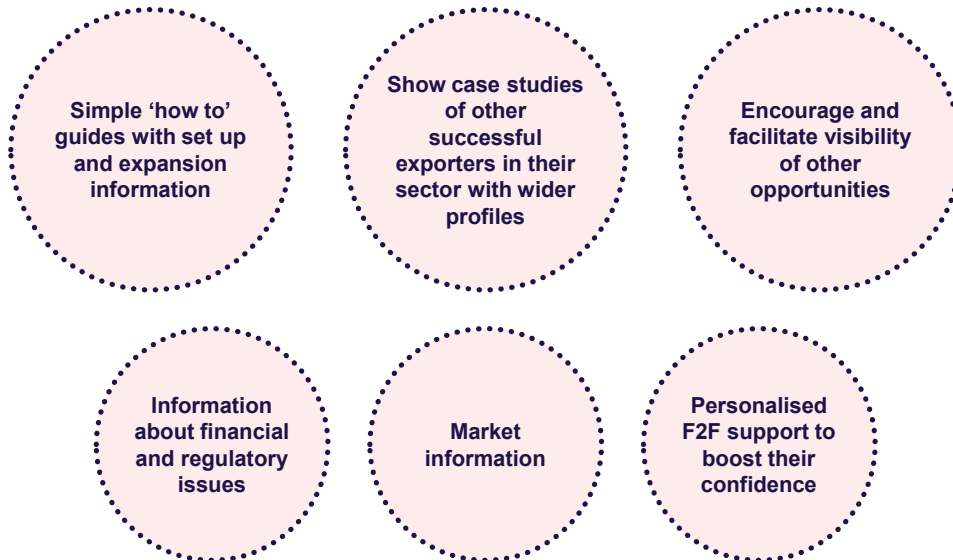
RECOMMENDED MESSAGING

Convince them of the benefits of growing their exporting profile – provide case studies of success of similar businesses in other markets and demonstrate that there is demand for their products/services in other markets

Content with the status quo



How to support these businesses: Showcase similar businesses that have engaged with opportunities successfully to encourage them to grow their exporting profile and provide accessible information about technical issues related to new markets to boost their confidence



Channels and messengers

Clearer offer and signposting on DIT website – which is one portal with all the information they need together

Emails and newsletters

A government hotline – to speed up response process

Conventions and exhibitions - facilitating networking

Case study: SME freight forwarding company



– ships low value goods in Europe

Profile

Transport and storage

10 - 49 employees

£500k – £2 million turnover

“We’ll just have to sit on our hands for the moment and see what happens”

Exporting story

- **Exporting for 30+ years.** They move low value goods, such as carbon products to be used in metal/steel industry, to factories in Europe but are concerned about the current economic climate. They are currently exporting but have no plans to increase export capability. They plan to remain ‘steady’ in the short-term to reduce any risks associated with exporting to their business
- **Exporting has always been part of their business model** and they are motivated by the balance the organisation has achieved between importing and exporting
- **Motivated by profit and efficiency:** they export low value goods because they are the quickest to find and its cost effective – minimising risk and maximising efficiency
- **Main challenges are the current political climate which has created some uncertainty making it difficult to enter new markets.** Additional concerns about how political changes will impact legislation which intensifies concerns about compliance. They are risk averse and prefer to stick with what they know.



Support needed

- Networking opportunities with new clients
- Networking with new partners and suppliers
- Networking with similar successful businesses

Channels / messengers

- Chamber of Commerce – a good channel to relay message about exporting and support available

Opportunistic risk taker, lacking an exporting strategy

.....
An inadvertent exporter - doesn't identify as an exporter – but has taken opportunities in the past and would again if it was offered in the future
.....

Reactive | Resilient | Confident

REASSURE | 7%



Opportunistic risk taker, lacking an exporting strategy



Has exported in the past – but reactive to client demand and lacks long term strategy



Risk taker

Will take opportunities and 'have a go' at anything that presents itself



Reactive

Does what it is needed to meet client demand in the moment - no long term strategy to maintain or grow business globally



Confident

Confident in their own skills and abilities (particularly selling) - but product and processes less well developed



Opportunist

Business UK focussed – but open to any new exporting opportunities that present themselves

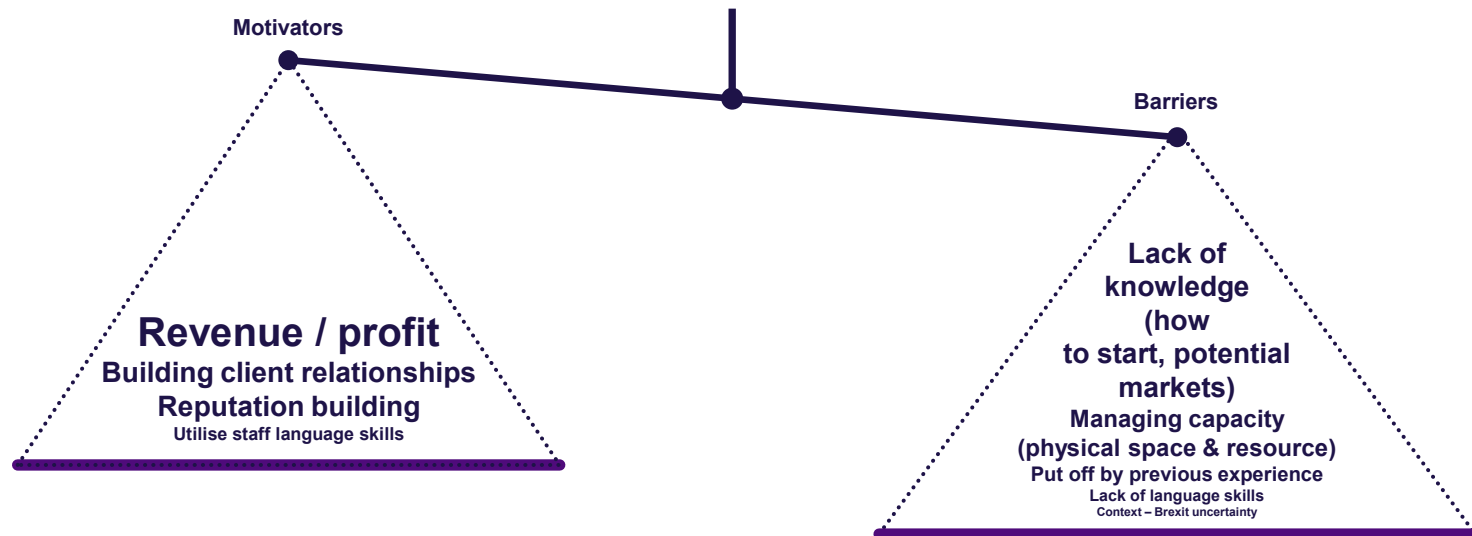
"We have no plans to grow overseas. Though I am aware of the need to source work from elsewhere. We've just grown organically and don't actively seek out new clients."

(Manufacturing, 10-49 employees, £500k-£2mil)

Opportunistic risk taker, lacking an exporting strategy



Motivators may outweigh risks in the moment – if significant resource and investment are not required



Opportunistic risk taker, lacking an exporting strategy

REASSURE | 7%



Recommended messaging



MANAGERIAL CAPACITY

Less ability than other segments to develop an export business plan

50% of Reassure: DEC agreed that their business has the capability to develop an exporting business plan – this was less than other businesses



ATTITUDE TO SUPPORT

Not enough perceived knowledge about where to go for information, help and support about exporting

Not always interested in information and business support services for exporting

Only 9% of Reassure: Change the Game were interested in information and business support services



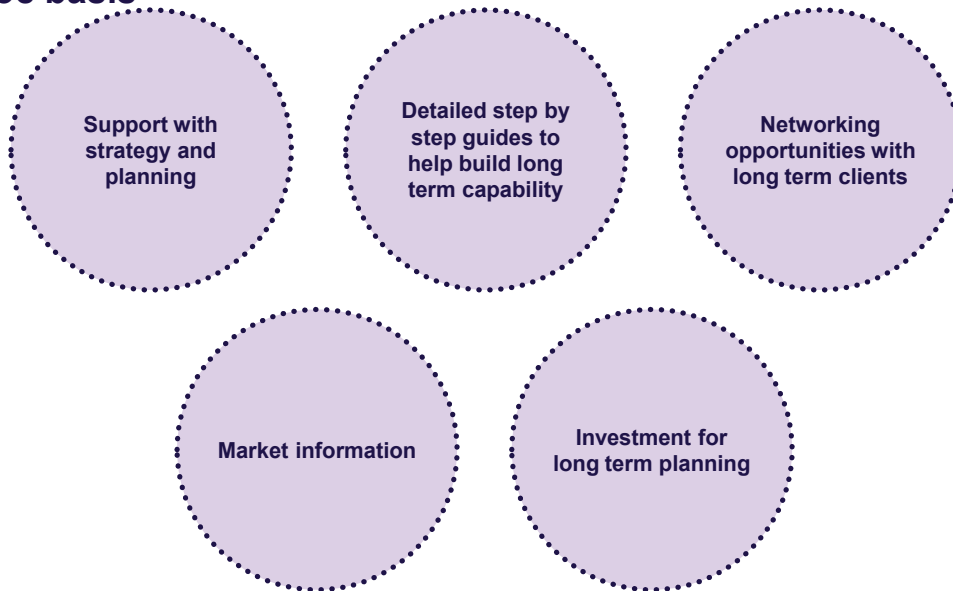
RECOMMENDED MESSAGING

Dedicating resource and investment to exporting is valuable and will generate return for your business. DIT support services can help you develop a long-term exporting plan and to set up exporting in new markets

Opportunistic risk taker, lacking an exporting strategy



How to support these businesses: show them the value of putting proactive and strategic resource into exporting – and advise on how to export sustainably for the long term rather than just on an ad hoc basis



Channels and messengers

A personal contact within DIT

Trusted networks - professional associations, trade bodies, Chambers of commerce – their magazines and events

Industry networking events - hearing from successful exporting businesses like them

Online tutorials as well as articles on DIT website

Email

Case study: engineering consultancy, reliant on architects in their network for new business



REASSURE | 7%



– but this pipeline has dried up during the financial downturn

Profile

Engineering

10-49 employees

£500k – 2mil turnover

“We’ll just have to sit on our hands for the moment and see what happens”

Exporting story

- **Worked in construction for 30+ years and this business for 10+ years.** Enjoys the travel associated with exporting – which is also good for staff morale - but is put off investing in it by complex regulation and payments risk. He would like to do more, but is pessimistic this is possible in the current climate – at the moment they are trying to survive the financial downturn.
- **Typically works for architects** building new designs for housing associations, large private housing companies, office HQs, galleries and museums. All work (local and international) comes via their architect networks.
- **Up until the last 2 years, they had been exporting on 1-2 projects per year.** They haven’t actively stopped exporting, the work has just stopped coming to them, and they don’t actively market themselves overseas (not the industry norm).
- **When they previously exported, it was good** for business income, and staff morale, who got a boost from travelling. **Throughout their exporting experiences they have faced challenges**, such as: non-payments on final invoices when working in the Middle East (now counteracted by accounting for this in their costs and billing more up front), and the need to employ a local contact to ensure final sign off on building sites (deemed an unnecessary extra cost, but again is accounted for in overall costs). They are open to exporting again, with an overall downturn in the market, they don’t believe there is business for them at present.



Support needed

- Awareness of DIT and the support it can offer
- Learning from experiences of others who have successfully done similar
- Advice on how to set-up and strategically plan for exporting in the future

Channels / messengers

- Raise awareness and signpost to DIT support
- Industry bodies and networks
- Conferences/seminars, business fairs

Considered exporting – but nervous about getting started

Interested in exporting and may have begun to look into it – but cautious and overwhelmed by the complexity and nervous about taking their first steps

Cautious | Anxious | Risk adverse

**PROMOTE –
DEVELOP EXPORT CAPABILITY | 4%**



Considered exporting – but nervous about getting started



Not exporting – but begun to look into it and aware of the benefits for growth / expansion / diversification



Cautious

Exporting seen as risky, done some research but don't know where to start - concerned about payment, compliance, and administration



Strategic

Know they need to take risk to grow / protect the business – but want this to be strategic and managed – unlikely to jump in. Earnest to create and maintain good client relationships



Not at all confident

Not at all confident in their capacity and capability to export – this drives their nervousness. Fear not being paid by international clients or being let down by suppliers



National - open

Business is UK focussed and want to protect this – interested in exporting but Brexit climate increases concern about failure / losses

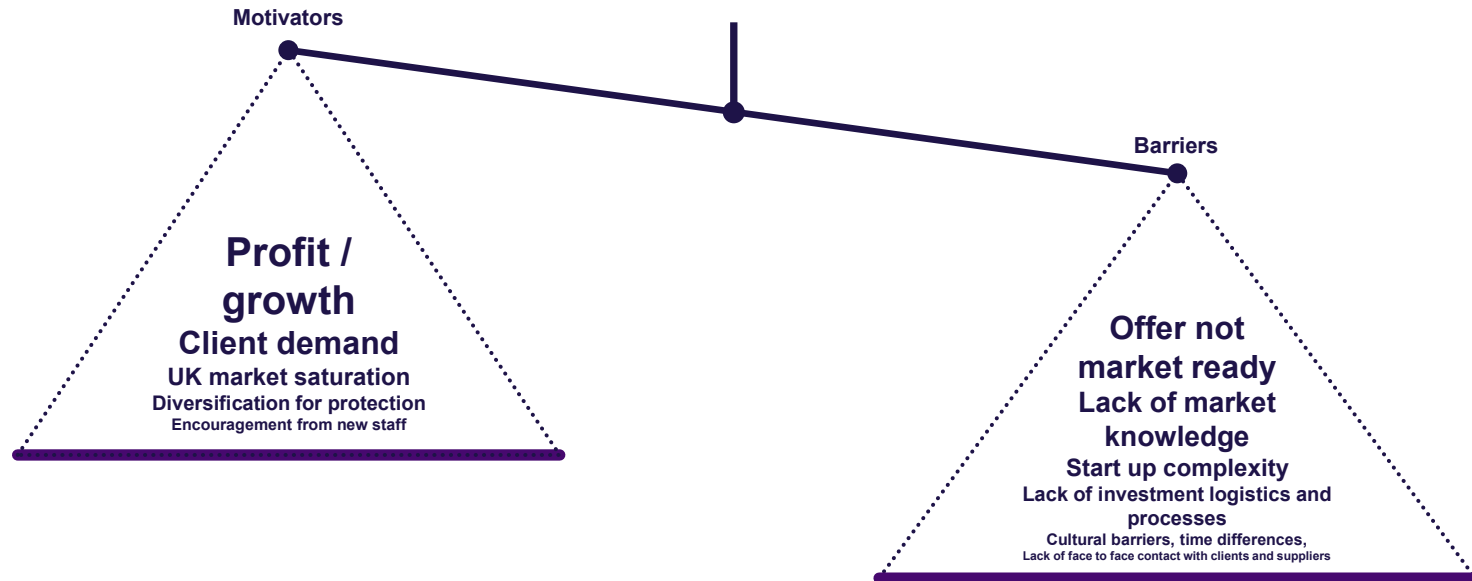
"There's a big enough opportunity in the UK before we start looking abroad and it's much easier to exploit than trying to open up an international market"

(Scientific & Technical, 50-249, £500k-2mil)

Considered exporting – but nervous about getting started



Barriers currently outweigh the benefits – because don't have the resources to invest and prepare



Considered exporting – but nervous about getting started



Recommended messaging



MANGERIAL CAPACITY

Most did not think that their business has enough managerial time to focus on exporting

38% agreed, which was less than other businesses



ATTITUDE TO SUPPORT

Very interested in support to help them export

Less likely than other businesses to feel like they have good knowledge about where to go for information, help and support with exporting



RECOMMENDED MESSAGING

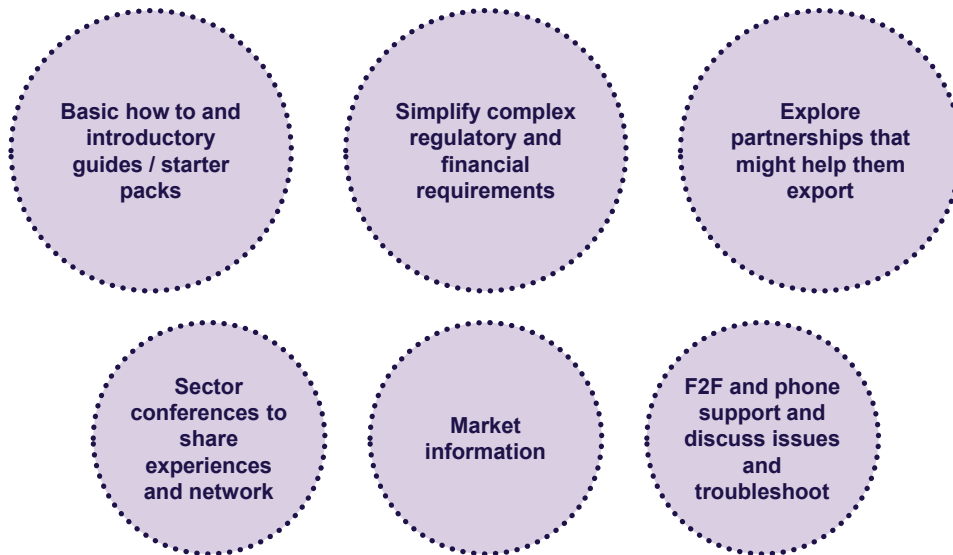
Communicate that DIT is the place to go for support with exporting – and can also signpost to other support. DIT can provide financial support and help you set up your exporting capabilities – and provide introductory legal, financial and regulatory advice

Considered exporting – but nervous about getting started

PROMOTE – DEVELOP EXPORT CAPABILITY | 4%



How to support these businesses: support them to take risks by providing advice and clear guidance to help them begin their exporting journey – simplify complex regulatory and financial requirements



Channels and messengers

F2F support

Signposting to relevant sources for information

Presentations and tutorials – via YouTube

Events - provide the opportunity for networking

Case study: an SME food mixing company



- supplying cattle and poultry units in the UK

Profile

Agriculture, forestry and fishing

1-9 employees

£500k – 2mil turnover

“The big bearing would be the financial implications in terms of tariffs and things like that and how easy it would be to export for us.”

Exporting story

- **Predominately a mill and seed mixing company based in the UK.** A smaller part of the business is dedicated to selling plant machinery to farms and farm sites. Also import machinery from an EU country but not very frequently. They prioritise their relationships with existing clients and suppliers and do not want to jeopardise these by taking risks in other areas.
- **They have no plans to actively start exporting in the short-term** but would consider exporting their product if there was an issue with their supplier or they wanted to enter into a partnership with the EU based machinery supplier.
- **They are worried their product would not be profitable outside of the UK and unsure how to look into this due to insufficient market knowledge or knowledge about how to approach this.** They are concerned about and unsure how to set up processes to begin exporting, how to manage tariffs, and the long term financial implications and initial cost/investment implications exporting would have on the UK business and how to manage these risks.



Support needed

- Advice on how to set up exporting – legal, logistics and processes
- Investment to get started – market research, product development, infrastructure set up
- Interested in events and training
- Want a government portal with tax, VAT and regulatory information

Channels / messengers

- FSB
- Industry bodies

Exporting is for other people – not for them

Hard working SME's who have built their UK focused businesses from the ground up, and exporting is not part of their identity

UK growth focused | Disengaged | Lack confidence

**PROMOTE –
COMMUNICATE BENEFITS | 5%**



Exporting is for other people - not for them



Never exported - exporting is for larger businesses in other sectors



Risk
averse

Exporting seen as risky, too complex, could lead to loss of money. Don't know anyone they could learn from



Disengag
ed

Still see opportunities to grow in UK, so don't need to look further afield, prefer to use their limited resources where value is more certain



Not at all
confident

See exporting as complex - don't believe they have the time to learn - don't have the bandwidth or resources in their business to make it happen



National -
closed

Business is UK focussed – it's familiar and they know how it works

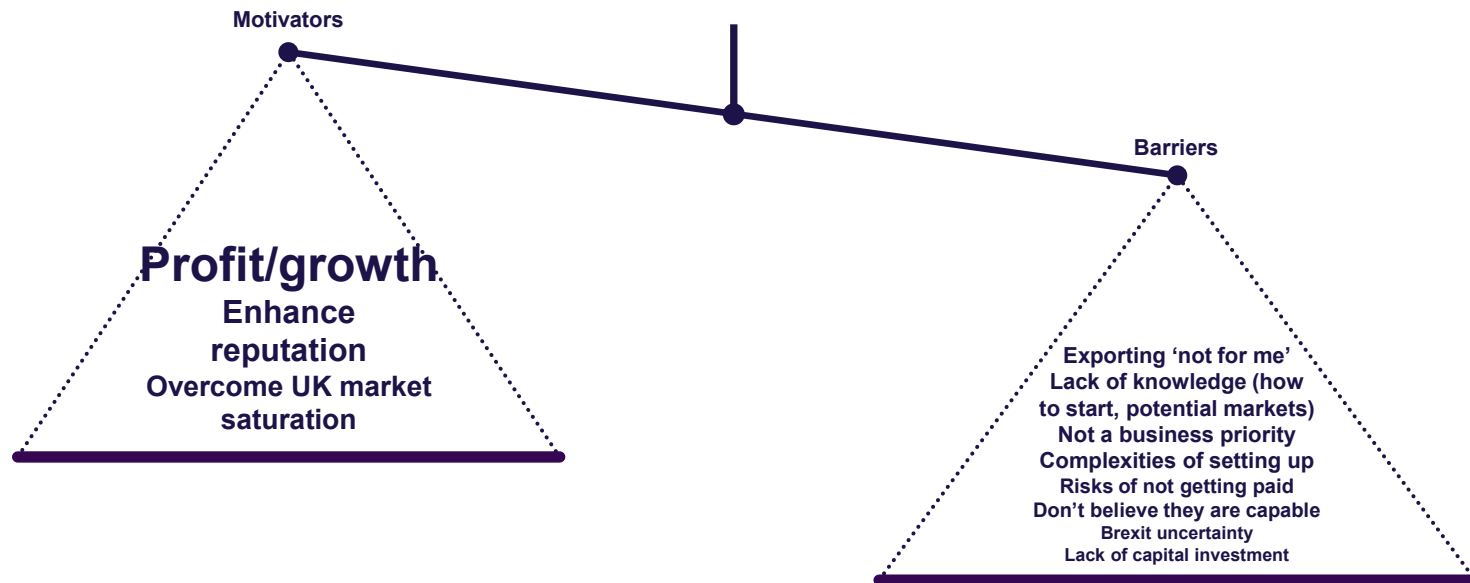
"We're only a small company and therefore lack the capital to do something like exporting."

(Transportation & Storage, 10-49 employees, £500k-£2mil)

Exporting is for other people - not for them



Barriers outweigh the benefits – because exporting is not considered to be for them



Exporting is for other people - not for them



Recommended messaging



MANAGERIAL CAPACITY

Much less likely than other businesses to agree that their staff have the skills to focus on exporting

Only 26% thought that their business has enough capability to undertake a market research study



ATTITUDE TO SUPPORT

Do not feel like they have good knowledge about where to go for help, information and support with exporting

Not interested in information and support services – as they do not see it as relevant to them

Only 7% agreed that they were interested in support



RECOMMENDED MESSAGING

Exporting is relevant and valuable to your business and it is for you. Provide examples of other businesses like theirs that are successful exporters – and how this has benefitted them (especially financially)

Exporting is for other people - not for them



How to support these businesses: raise awareness and persuade them of the benefits of exporting for businesses like them – to show that exporting is for businesses like theirs

Case studies showing exporting success and benefits for SMEs like theirs

Basic information about starting exporting (e.g. 10 steps to get started)

Networking opportunities (clients, suppliers, advisers)

Chance to meet Champions

Financial support for market research, training and capital purchasing

Market information

Channels and messengers

DIT

HMRC

Trusted networks - Chambers of commerce, Trade organisations

Trade press

Banks and agents

Case study: a niche service company, growing in the UK

PROMOTE – COMMUNICATE BENEFITS | 5%



- with no time to consider exporting, despite interest in their services from abroad

Profile

Professional services

10-49 employees

£10-50m turnover

"We said no to working with an overseas campus, as there is lots of growth happening here at home and we've been focusing on our short-term goals, which have been taking all our energy. To export isn't for us."

Exporting story

- **Worked for the company for 10+ years.** Company provides facility management, estate management, office and lab accommodation for a scientific research campus in a university town. Over time have grown their campus and developed new made for purpose buildings. Finds it hard to relate to exporting – and sees it as complex and confusing.
- **Currently thinking about ways they could replicate their model in the UK,** where there is still a lot of opportunity for them.
- **Other global universities have contacted them to request they run a similar service in their market, but it's always been turned down.** They are put off by the effort they believe would be required to start exporting from scratch, and the need to learn about how to trade in a foreign market – they have no knowledge or in-house expertise about how to deal with this, nor a desire to learn how – and do not believe they have the resource to do this.
- **Exporting is not a priority for them at present,** too much hard work for something they don't feel is necessary to the success of their business model. If they were to ever work in foreign markets, they would prefer to set up partnerships, rather than actively running the services themselves.



Support needed

- Raising awareness of how exporting could benefit and why it's worth the effort
- Advice on how to set-up and start a new exporting business
- Access to local advisors and potential partners
- Access to an online resource library

Channels / messengers

- Raise awareness and signpost to DIT support
- Entrepreneurs networks, Chambers of Commerce

4.

APPENDIX

Achieved Sample

	TARGET	Completed
Overall Target	60	60
SEGMENT		
Sustain - Communicate Benefits	10	10
Sustain - Develop Export Capability	10	11
Sustain - Increase Competitiveness	10	10
Sustain - Nurture & Grow	10	10
Promote - Communicate Benefits	5	5
Promote - Develop Export Capability	5	5
Reassure - Develop Export Capability		3
Reassure - Nurture & Grow	10	4
Reassure - Leave Be		1
Reassure - Change the Game		1
No. OF EMPLOYEES		
Fewer than 10 employees		17
10-49 employees	Recruit a mix	29
50-249 employees		14
250 or more employees	-	-
ANNUAL TURNOVER		
Less than £500k	-	-
£500k to £2m		26
£2m to £5m	Recruit a mix	12
£5m to £10m		5
£10m to £50m		17
£50m or higher	-	-

	TARGET	Completed
Overall Target	60	60
SECTOR		
1: Agriculture, Forestry and Fishing		1
2: Mining & Quarrying		0
3: Manufacturing		12
4: Electricity, Gas, Steam & Air Conditioning Supply		0
5: Water Supply: Sewerage, Waste Management, & Remediation Activities		2
6: Construction		2
7: Wholesale & Retail Trade; Repair of Motor Vehicles & Motorcycles		12
8: Transportation & Storage	Recruit a mix	5
9: Accommodation & Food Service Activities		2
10: Information & Communication		3
11: Financial & Insurance Activities		5
12: Real Estate Activities		0
13: Professional, Scientific & Technical Activities		5
14: Administrative & Support Service Activities		2
15: Education		0
16: Human Health & Social Work Activities		2
17: Arts, Entertainment & Recreation		0
18: Other Service Activities		7
REGION		
North East England		0
North West England		7
Yorkshire and the Humber		5
East Midlands		3
West Midlands	Recruit a mix	8
East of England		8
South East England		11
South West England		6
London		12



Department for
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GREAT

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