



# Large Business export barriers, support needs and the role of DIT

**Qualitative research findings**

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## Glossary

The following is a description of commonly used terms within the report to aid understanding:

- **LBs:** Businesses with over 250 UK employees
- **Small LBs:** Businesses with 250 to 500 UK employees.
- **Medium LBs:** Businesses with 500 to 1000 UK employees.
- **Large LBs:** Businesses with over 1000 UK employees.
- **Mature LBs exporters:** Large or medium-sized LBs, with a significant international presence and experience of exporting, and high proportion of export revenue.
- **Less mature LBs exporters:** Small or medium-sized LBs, with a low international presence and experience of exporting, and low proportion of export revenue.
- **Hard to access markets:** This term is used in the report to describe prominent developing markets that were reported to be the most challenging for UK exporters to access, such as China, India, Russia and Japan. They were perceived and experienced to have a business culture and regulatory framework that was particularly difficult for outsiders to understand and navigate and favoured national goods or those from neighbouring countries. These were often markets that presented the greatest growth opportunities, particularly for mature LB exporters.
- **Underserved markets:** This term describes smaller developing countries, such as Senegal and Trinidad, that are less commonly exported to and so are less well served by the private sector in terms of the provision of export support.

## Executive summary

The Department for International Trade (DIT) commissioned Kantar to conduct qualitative research to explore the needs and experiences of large businesses that export to inform the redesign of its export support services. While continuing to support businesses of all sizes, DIT is committed to delivering value for money by applying a proportional approach to allocating export support; targeting exporters that confer the largest benefit to the UK economy and segmenting the business population to tailor support to their needs. We know large businesses (LBs), defined as businesses with 250 or more employees, are important. They have greater capacity to secure large contracts and drive export growth. This study consisted of 27 depth interviews with large businesses that export and 5 small group interviews with DIT staff who support these businesses. Interviews were conducted between 4 November 2020 and 7 April 2021; during the pandemic and both before and after the end of the EU transition period.

### Large Business characteristics

All large businesses (LBs) within the research sample were established exporters that had been exporting for at least 5 years and had a minimum of 250 employees in the UK. However, beyond these similarities, the population of large businesses was highly diverse, consisting of a range of sizes, sectors, turnover, export revenue, international presence, type of export and target market. These variations in characteristics were found to influence their export challenges and support needs.

### Short and longer-term export barriers and the role of DIT

At the time of interview, the impact of EU Exit and COVID-19 on exports was top-of-mind across the research sample. These were viewed as the main short to medium term barriers to exporting that were expected to continue to create challenges over the next 12 months to 3 years. EU Exit in particular was reported to have made it harder to maintain activity levels in existing export markets due to difficulties stemming from new customs processes. There were concerns that barriers posed by EU Exit made UK exporters less competitive and there were instances of LBs having to revise their growth plans. COVID-19 had also led many LBs to put new market entry plans on hold. LBs therefore wanted DIT to support them to maintain pre-EU Exit and COVID-19 levels of export activity by helping them navigate new requirements, overcome perceived or anticipated post EU Exit regulatory barriers, remain competitive and attractive to EU and global customers and win new contracts. Most LBs wanted to participate in the dialogue around future Free Trade Agreements (FTAs) and ideally influence which countries the government prioritises. The few LBs in the sample that only exported to non-EU markets were service providers rather than goods exporters. These LBs did not report that EU Exit had presented a barrier to exports.

Long-term barriers to exporting that were expected to persist over the next 3 to 5 years centred around difficulties entering new markets, rather than expanding in current markets. Market access barriers, both formal and informal, were a prominent challenge. Certain export markets, such as China and Russia, were perceived to present the greatest challenge, due to having a cultural and regulatory framework that was more difficult for outsiders to understand (in the report these are referred to as 'hard to access' markets). A lack of private support services in developing markets (referred to as 'underserved' markets) presented similar difficulties. And yet these were the markets offering the greatest growth opportunities, particularly for more mature LBs. A lack of networks, resource and investment were also barriers to exporting, particularly for less mature exporters.

DIT was viewed as uniquely placed to support LBs to export to hard to access and underserved markets. It could leverage its government to government (G2G) relationships to arrange trade missions, overcome cultural and regulatory market access barriers and provide intelligence and lobbying to help LBs win contracts.

### **Support needs during the export journey and the role of DIT**

Past DIT research has identified that a typical export journey can be broken down into six stages<sup>1</sup>:

- **Trigger:** Factors that lead businesses to consider the exporting opportunity
- **Discovery:** How businesses explore their options around exporting and seek advice
- **Development:** Businesses firmly establish their intention to export, develop relationships with key players and decide on a route to market
- **Preparation:** Businesses finalise their export strategy and review market-specific requirements
- **Win Business:** Securing the contract to support goods overseas
- **Fulfil and deliver:** Producing and delivering the product to the customer

During the interviews, LB support needs were explored at each stage of the export journey, as well as views on where DIT was best placed to provide support.

At the **trigger** stage, LBs perceived limited need for support. For most LBs the trigger was driven by internal factors, that is, the need to seek new export markets to grow. External influences included being approached with an export opportunity, or funding to increase export capability. There was limited experience and need for DIT support at this stage, but opportunity to promote export growth. There was scope for DIT to communicate opportunities for export in hard to access markets (alongside using G2G relations to address market access barriers), particularly for more mature exporters. DIT could also be more proactive in raising awareness of tender and funding opportunities, notably for smaller manufacturers.

At the **discovery** stage, LBs required support with gaining market analysis data, an initial understanding of the formal and informal barriers to accessing a particular market and identifying key contacts. Private sector services were more commonly used at this stage, although there was some use of DIT services such as trade missions and Overseas Market Introduction Service (OMIS) reports. This, in part, reflected a lack of awareness of DIT support available. More mature LBs, particularly those that had an international presence, had less need for such support as they could draw on their internal networks, unless in the public service sector or trying to enter an underserved market (such as Senegal). Less mature and small LBs were more likely to require support due to limited internal resource. Across LBs, trade missions were widely viewed as a unique DIT service. Beyond this, the quality of DIT services were reported to be mixed and equally, if not better, served by private sector companies. In terms of support gaps, the breadth of HMG's global presence was seen as a unique DIT asset that could be leveraged to help more LBs access export markets that are underserved by the private sector.

When **developing and preparing** their export strategy, LB support needs centred around overcoming formal and informal market access barriers. LBs also considered how to best position themselves to win the contract. LB exporters of goods, public services (such as energy, utilities, defence and aerospace) and those entering hard to access markets had more need for support at this stage. For these LBs, DIT was seen to be uniquely placed (due

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<sup>1</sup> Barriers of exporting firms and the role of export promotion in addressing them, March 2020

to its high-level contacts in these markets) to help businesses overcome formal and informal market access barriers. Commercial exporters also valued DIT support in overcoming regulatory issues when made aware of this service. More generally, they used and felt better served by private sector support. Private services were seen to provide highly personalised, confidential support with developing key relationships and promoting and protecting the LB's best interests. Trade bodies and associations were also valued for providing sector-specific information and contacts. In terms of support gaps, there was the desire for the UK to have greater in-country presence in hard to access markets to support LBs at this stage.

At the **winning** business stage, LBs in public service sectors and/or seeking to break into hard to access markets (often large and multinational LBs), had the greatest need for DIT support as DIT had close ties with the key stakeholders in the export market, including the 'customer'. Through government-to-government contacts, DIT could lobby the overseas government, promote the LB, and provide feedback on how to strengthen their bid. Both these LBs and DIT staff saw DIT as playing a unique role at this stage. By shaping perceptions of the LB in the export market through its high-level connections DIT could increase the LB's chances of winning the contract. However, DIT staff felt it was important to manage expectations as there was no guarantee that DIT support could secure a contract. Notably, LBs in commercial sectors saw this stage of the export journey as a commercial, business-to-business process with which they generally did not require DIT support.

To **fulfil and deliver** on the export contract, goods exporters (including large and multinational LBs) often required tactical support at crisis points, such as when goods became stuck at borders, or help with resolving issues with customs documentation. DIT could provide, or at least signpost to, such support. Due to EU Exit, these issues had become more common, resulting in an increase in LBs contacting DIT for help with transporting goods into the EU. Due to its internal connections with other UK government departments, DIT was perceived to be uniquely placed to support LBs in overcoming customs and border issues that their existing partners (for example, logistics partners) could not resolve.

The main factor that influenced which stages in the export journey a LB would require support from DIT was its export maturity, with more and less mature LB exporters having different support needs at different stages. Mature exporters were large or medium-sized LBs, with a significant international presence and experience of exporting, and high proportion of export revenue, while less mature exporters were small or medium-sized LBs, with a low international presence and experience of exporting, and low proportion of export revenue. Overall, less mature exporters were more likely to need support at the discovery stage due to their limited experience and resource. More mature exporters were more likely to value support later in the journey and particularly to enter underserved and hard to access markets. Sector and type of export was also found to play a role, with goods exporters and public service LBs generally needing more support from DIT than service and commercial exporters.

The following tables visualise opportunities for DIT to streamline and target support to areas where it is better placed to offer export services compared to other providers. This support would be particularly valuable in driving export growth. Given the complex factors influencing support needs, the tables pinpoint opportunities based on the type of LB and export journey stage and highlight:

- Where DIT is uniquely placed and **currently strongest** at providing support (teal boxes)
- Where DIT is uniquely placed to provide **more support** in the future (pink boxes)

**Table 1. Summary of opportunities for DIT to target export support for mature and less mature LB exporters**

Mature LB exporters						
Stage of export journey	Manufacturing sector <sup>2</sup>	Exporter of goods	Exporter to underserved markets	Exporter to hard to access markets	Public service sector	Commercial sector
Trigger						
Discovery						
Development and preparation						
Winning business						
Fulfil and deliver						

Less mature LB exporters						
Stage of export journey	Manufacturing sector	Exporter of goods	Exporter to underserved markets	Exporter to hard to access markets	Public service sector	Commercial sector
Trigger						
Discovery						
Development and preparation						
Winning business						
Fulfil and deliver						

<sup>2</sup> Note: the manufacturing sector is included to highlight the difference in support needs and opportunities for mature versus less mature exporters. There was not a specific DIT support need among mature LBs in the manufacturing sector unless this overlapped with other factors, such as manufacturing in the public service sector or exporting to an underserved or hard to access market.



## **Awareness and delivery of DIT export support**

One of the main factors that influenced LBs use of DIT export support was their level of awareness of DIT services. Lower levels of awareness were a key barrier to LBs seeking out help from DIT. Those with a single point of contact had greater awareness and access to support but still expressed the need for more clarity on the full range of services available. LBs generally wanted more information on how businesses qualify for support and criterion used.

LBs were more positive about their experience of using DIT support if they had a single point of contact with whom they had built a rapport and who was easily contactable. They valued having regular conversations with their main contact and feeling that this person understood their sector and market needs and had their best interest in mind. This was considered necessary for DIT to deliver the efficient and tailored support LBs required. When this level of support was seen to be inconsistent and/or variable, LBs tended to be less positive and satisfied with the support received.

Despite variations in awareness, current use of DIT support and views on delivery, LBs were keen to suggest areas for improvement that would influence their use of DIT support in future. The following were the main areas for improvement suggested by both DIT staff and LBs:

- **Variation in quality and consistency of support** - LBs needed the quality of support to be consistent for DIT to effectively meet their needs. This includes proactivity, frequency of contact, knowledge of the business, sector and or market and network to broker connections.
- **Fragmentation** - LBs wanted a more streamlined service across government departments and external partners, to minimise repetitions and ensure the timely delivery of support.
- **Distilling information** - LBs needed further distilling of information, to reduce time spent navigating complex information that may or may not be relevant to their business.
- **Confidentiality and impartiality** - Some LBs needed assurances that support received was confidential and that DIT could focus on the LBs best interests.
- **Promotion of DIT export services** - Linked back to the issue of awareness, LBs wanted to see greater promotion of DIT services to know when and how to use DIT support.

In terms of accessing future support, LBs would ideally want an Account Manager; a single point of contact providing tailored and proactive assistance. Most felt a digital platform would not be helpful to address their complex or specific needs. Feedback suggests there may be opportunity for DIT to provide paid-for services, however, further proposition development and research would be needed for LBs to accurately determine their interest.

## Future considerations

Based on the research findings, the following are suggestions for DIT to consider when developing its future export support offer to streamline and better target services for large businesses:

- **Consider creating a ‘Tier One’ and ‘Tier Two’ LB export support offer** to reflect the different export needs of more mature and less mature LB exporters to provide the most extensive support to those with the highest value export potential
- **Select criteria to target and define ‘Tier One’ businesses**, including business size (500+ employees) and export volume (50%+). Prioritise types of exports based on where DIT can have the most impact (such as, public service sector, manufacturing, goods). Prioritise markets where LBs are more likely to experience export barriers (hard to access and underserved).
- **Focus Tier One support on leveraging G2G relationships to enable LBs to access new markets and win large/strategic contracts.** In particular, help LBs overcome market access difficulties at the planning, preparation and delivery stage, using G2G relationships to resolve formal regulatory barriers. Lobby within embassies and provide high level intelligence on how LBs can position and refine their bids to win new contracts. Alongside this, help overcome ongoing EU Exit and COVID-19 difficulties to ensure export activities can be sustained.
- **Assign ‘Tier One’ large businesses a single point of contact.** Someone who develops an in-depth understanding of their business needs, has sector and market expertise, conducts quarterly reviews and is available for ad hoc requests, takes ownership of LB support needs and has an extensive internal and external network to signpost them to.
- **Select criteria to target and define ‘Tier Two’ large businesses.** Consider business size (250-500 employees), export volume (less than 50%), limited international presence and time since exporting to a new market (5+ years).
- **Provide greater support for ‘Tier Two’ LBs at the trigger and discovery stage.** Identify funding opportunities to increase their export capacity and overcome the potential risks of exporting to new markets. Provide more hand-holding during the export journey, particularly during the discovery stage by connecting them to partners within the UK and the target market that can elevate their market understanding and scope out the feasibility of the opportunity.
- **Consider assigning support teams to help ‘Tier Two’ LBs.** Instead of a single point of contact, consider creating DIT support teams with different expertise that conduct bi-annual reviews and are readily available for Tier Two businesses to call for support.

# 1 Introduction

## 1.1 Context

Exporting is vital to the UK economy, with British businesses exporting abroad being more productive, creating more jobs and paying higher salaries. In 2018, around 15% of UK businesses had never exported but self-identify as having goods or services that were suitable for export<sup>3</sup>. These businesses represent a large potential for future export growth through starting to export.

Within this context, in 2018 the Department for International Trade (DIT) launched its Export Strategy (DIT, 2018), setting a government wide ambition to increase exports as a proportion of UK GDP from 30% to 35% and pledging its commitment to help encourage and support British businesses to grow sustainably by exporting. The overarching strategy is to tackle attitudinal and practical barriers preventing businesses from reaching their full export potential. It includes inspiring UK businesses to sell overseas, providing information and practical assistance, connecting UK businesses with overseas buyers, international markets, and each other and offering financial support.

Since its inception, DIT has provided a range of services and campaigns to encourage and support businesses to export. Activities include the multi-channel Exporting is GREAT campaign and offering a range of universal and bespoke services online and in person, including webinars, trade events, overseas visits and access to tailored advice through International Trade Advisors.

An important part of the strategy is prioritising resource to deliver maximum value to business and the taxpayer. In addition to focusing government efforts where it can perform best, DIT is also tailoring the promotion of government services based on business size and characteristics, prioritising markets with the biggest value potential and playing to the UK's strengths in terms of capabilities and capacity to supply.

DIT wishes to evolve its strategy further by adopting a proportional approach to service delivery, building on its commitment to deliver value for public money and wanting to allocate the most effort to areas that will generate the largest or most strategic return. One section of interest is large businesses with High Export Potential (HEP), these are defined as businesses with 250 or more employees, turnover of more than £500,000 per annum and products/services suitable for export. They are considered to have greater capacity to secure large contracts and drive export growth.

## 1.2 Aims and objectives

DIT commissioned Kantar to conduct qualitative research to explore the needs and experiences of large businesses that export to inform the redesign of its export support services. Specifically, the aims of this research were to:

1. Deepen understanding of the exporting characteristics and behaviours of large businesses, including internal capacity.
2. Understand the barriers to exporting facing large businesses.

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<sup>3</sup> Department for International Trade (2019), 'National Survey of Registered Businesses' Exporting Behaviours, Attitudes and Needs'

3. Assess needs, use and perceptions of existing export support including other public or private sector provision in the UK and overseas and willingness to pay.
4. Identify best practice in supporting large businesses, in terms of which existing DIT services and wider provision work well, what other export promotion services they use (such as internal advisors, private sector agents, Trade Promotion Organisations in other countries) and ideas for improvement.

### 1.3 Methodology and sample

This study consisted of 27 depth interviews with large businesses, and 5 small group interviews with DIT operational staff. All interviews were conducted online, via Zoom or Microsoft Teams<sup>4</sup>. Interviews took place between 4 November 2020 and 7 April 2021.

Large businesses were screened and recruited by business size and exporting behaviour. All were current exporters with 250 or more employees based in their UK office. Beyond this core criteria, the characteristics of the large businesses recruited were diverse in nature, consisting of a range of sizes, turnover, sectors, services and products exported, and export destinations. All businesses interviewed had used a DIT service in the past<sup>5</sup>, with some having an existing and ongoing relationship with DIT. Table 1.3.1 below provides an overview of the differences between the large businesses within our sample. More details can also be found in Chapter 2.

**Table 1.3.1 Large Business sample characteristics**

<b>27 Interviews conducted with Large Businesses:</b>		
Number of Employees	250 to 499	11
	500 to 999	6
	1000+	10
Type of Exporting	Primarily goods	16
	Primarily services	6
	Mixture of both	5
Exports as % of Operations	1 to 25%	7
	26 to 50%	4
	50+%	16

Operational staff who work with large businesses were recruited from a range of internal departments and included International Trade Advisors, Strategic Relationship Managers and Sector teams. Some of these staff worked within a mix of sectors, whereas others were specialists within a particular industry or region.

Further details on the methodology and sample can be found in Appendix 1.

### 1.4 Interpreting the findings

The qualitative interviews were conducted to obtain a spread of views from different types of large businesses. Quotations and case studies have been included to provide rich, detailed accounts, as given by participants. Qualitative research is based on non-probability samples,

<sup>4</sup> It was proposed to conduct the interviews by telephone or in person, but the approach had to be redesigned due to the Coronavirus pandemic

<sup>5</sup> Note: the individual interviewed may not have personally had experience of using DIT export services

so are not representative of the overall population. Therefore, the qualitative findings cannot be generalised to the large business (HEP) population.

The following are additional factors to take into consideration when interpreting this report:

- **EU Exit** – fieldwork for this research was conducted both before and after the UK transition period. Challenges stemming from this are likely to have been mentioned more frequently due to it being top-of-mind for many exporters, and respondents interviewed following the end of the transition period may have had different experiences of exporting to those interviewed before 1 January 2021.
- **COVID-19** – fieldwork took place during the COVID-19 pandemic, meaning that COVID- related exporting barriers may have been spontaneously mentioned more than barriers unrelated to the pandemic. Businesses were probed on barriers faced in the last 1 to 2 years and the future challenges they foresee to capture their broader export needs, beyond those that are COVID-related.
- **Awareness of DIT services** – it should be noted that some business representatives had a low awareness of available DIT services and the specific roles of their DIT contacts. Therefore, not all were able to comment in detail on services experienced, or those they were looking to use in future.
- **Diversity of variables influencing large business export needs** – the types of large businesses within our research sample were highly diverse, with key differences and characteristics outlined in Chapter 2. The analysis of the findings aimed to identify the most prominent characteristics (or combination) influencing the needs and experiences of these large businesses in order to inform DIT’s export strategy. However, it should be noted that there are often multiple, complex and overlapping variables at play.

## 2 Large business characteristics

This initial chapter outlines the characteristics of the Large Businesses (LBs) who took part in the research. It provides some description of the characteristics of the businesses with a view to understanding the exporting barriers and support needs they experienced, which are discussed in later chapters.

### 2.1 Key findings

All LBs within the sample were established exporters that had been exporting for at least 5 years, with many exporting for much longer than this. They were all classified as large businesses, having at least 250 employees in the UK. Additionally, all LBs interviewed had a turnover of more than £500,000 per annum. However, beyond these similarities, the population of large businesses was highly diverse.

As table 2.1.1 below illustrates, these businesses consisted of a range of sizes, sectors, turnover, export revenue, type of export, international presence and target export market. These variations in characteristics were found to influence their export challenges and support needs, as outlined in the following chapters. For context, the final column provides statistics for Large Businesses accessing DIT support, based on the profile of respondents from the Export Client Survey 2018 to 20.

Importantly, these differences mean that size and turnover alone do not determine a large business's export needs and capabilities. Whilst business size and multinational presence were the main determinants of support need, the overlap between these and other variables were also influential. For example, a large, multinational business could have limited export resource and experience, similar to SMEs and small LB exporters, if the percentage of total revenue from exporting was small or they did not have recent experience of exporting to a new market. With this in mind, the report distinguishes between different levels of LB 'export maturity'. This factor, as described in the table below, incorporates several variables including the LB's size, international presence, experience of exporting, and proportion of revenue from exports.

**Table 2.1.1 Variations in large business characteristics**

Variable	Description of sampled businesses	Export Client Survey Descriptive Statistics <sup>6</sup>
Size	Although all businesses in the sample were large businesses, they ranged in size within the LB category, and included those with 250 to 500 employees; those with 500 to 1000 employees; and those with over 1000 employees. For the purposes of this report we refer to these as 'small LBs', 'medium LBs' and 'large LBs' respectively.	Large businesses with more than 250 employees represent 7% of businesses that have accessed support from DIT, 2% of all exporting businesses, and 0.4% of the UK business population.

<sup>6</sup> Department for International Trade ([publication tbc 2021](#)), Descriptive Analysis of the Export Client Survey, April 2018 - March 2020

Variable	Description of sampled businesses	Export Client Survey Descriptive Statistics <sup>6</sup>
Turnover	The turnover of LBs in the sample ranged from £5 million to £500 million. The LBs could also be part of a large multinational company, meaning global turnover could be far greater than this.	Turnover of large businesses accessing DIT support: <ul style="list-style-type: none"> <li>• Up to £500,000 – 1%</li> <li>• £500,000 to £1,999,999 – 1%</li> <li>• £2 million to £4,999,999 – 3%</li> <li>• £5 million to £9,999,999 – 3%</li> <li>• £10 million to £49,999,999 – 21%</li> <li>• Over £50 million – 51%</li> </ul>
Sector	LBs were from a broad range of sectors, with key categories including businesses in: <ul style="list-style-type: none"> <li>• The public services sector, which had close ties to the public sector in the UK as well as the export market. This included energy, utilities, defence, aerospace and large infrastructure projects</li> <li>• The commercial sector, which sold a product or service (that they may or may not manufacture) to an export market. Examples included LBs in the food and drink sector, and those selling agricultural products</li> <li>• The manufacturing sector, which had factories or production plants in the UK where they manufactured a product for export. Examples included businesses that manufactured pharmaceutical products and engineering products.</li> <li>• Niche sectors, supplying a product or service that was highly specialised and there was a small global community of businesses operating in the field. An example of this was a LB that developed and manufactured high-value pharmaceutical products used in clinical trials.</li> </ul>	Industry sector amongst LBs accessing DIT support: <ul style="list-style-type: none"> <li>• Agriculture, forestry or fishing – 3%</li> <li>• Mining and quarrying – 1%</li> <li>• Electricity, gas, steam and air conditioning supply – 2%</li> <li>• Water supply, sewerage, waste management and remediation services – 0%</li> <li>• Manufacturing – 34%</li> <li>• Construction – 5%</li> <li>• Wholesale and retail trade – 9%</li> <li>• Hotels and restaurants – 2%</li> <li>• Transportation and storage – 2%</li> <li>• Information and communication – 2%</li> <li>• Finance and insurance – 5%</li> <li>• Real estate activities – 0%</li> <li>• Professional, scientific and technical activities – 3%</li> <li>• Administrative and support service activities – 1%</li> <li>• Education – 13%</li> <li>• Health and social work – 5%</li> <li>• Public administration and defence – 6%</li> <li>• Arts, entertainment and recreation – 4%</li> <li>• Other – 3%</li> </ul>

Variable	Description of sampled businesses	Export Client Survey Descriptive Statistics <sup>6</sup>
Goods vs. services	LBs included those that were exporters of goods – physical products (including food and animal products) that required transportation across borders - and those that exported both goods and services, such as laboratory testing. Only a few LBs within our research sample exported only services, such as consultancy and training.	Exporting of goods and services among LBs accessing DIT support: <ul style="list-style-type: none"> <li>• Goods – 41%</li> <li>• Services – 40%</li> <li>• Both – 18%</li> <li>• Not known – 1%</li> </ul>
Length of time exporting	The length of time that LBs had been exporting varied across the sample, but most had been exporting for at least 7 years, with some having exported for 10, 20 and up to 150 years. The newest LBs to exporting had been doing so for a minimum of 5 years.	Export history among LBs accessing support: <ul style="list-style-type: none"> <li>• 1 year or less – 1%</li> <li>• 2 to 5 years – 10%</li> <li>• 6 to 10 years – 12%</li> <li>• 11 to 20 years – 19%</li> <li>• Over 20 years – 56%</li> <li>• Don't know – 2%</li> <li>• Net: in last 5 years – 11%</li> </ul>
Experience accessing new export markets	Some LBs in the sample had more experience of entering a new export market than others. While some businesses had only started exporting to one new market in recent memory, others had been along this journey more than once before and were therefore more likely to have a blueprint in place.	No data available
Export market accessed	The export markets that LBs discussed their experiences of accessing included both markets that were culturally and politically similar to the UK, such as the US and EU, and those that were quite different and therefore more challenging, such as China, Russia and Japan. These are referred to as 'hard to access' markets. Some export markets were also more 'underserved' than others. That is, they were less commonly exported to, and there was generally less expertise in accessing those markets, such as Senegal and Trinidad.	Regions exported to among LBs accessing DIT support: <ul style="list-style-type: none"> <li>• Europe – 91% <ul style="list-style-type: none"> <li>◦ EU – 89%</li> </ul> </li> <li>• Asia – 80%</li> <li>• North America – 69%</li> <li>• Middle East – 70%</li> <li>• Africa – 57%</li> <li>• South America – 48%</li> </ul>



Variable	Description of sampled businesses	Export Client Survey Descriptive Statistics <sup>6</sup>
Percentage exports of total revenue	<p>Export revenue as a proportion of total sales varied between LBs in the sample. At the lower end were LBs for which exports were around 5% of total sales, and these LBs typically planned to increase this proportion in the future. These LBs typically had less export capacity and experience despite having a high turnover and sometimes being part of large multinational companies. This criterion is therefore important to consider when deciding on which LBs to target with support.</p> <p>At the higher end of the spectrum were LBs where exports accounted for around 75%+ of total sales, so that exports were a key part of their business model.</p>	<p>Proportion of turnover accounted for by exports among LBs accessing DIT support:</p> <ul style="list-style-type: none"> <li>• 0 to 5% - 23%</li> <li>• 6 to 10% - 13%</li> <li>• 11 to 25% - 14%</li> <li>• 26 to 50% - 17%</li> <li>• 51 to 75% - 11%</li> <li>• More than 75% - 11%</li> <li>• Don't know – 9%</li> </ul>
International presence	<p>LBs in the sample varied in terms of their presence in overseas markets around the world. Those that were part of a multinational company, often with a parent company overseas, had a significant presence in the key global regions, with subsidiary companies in numerous export markets and regions.</p> <p>At the other end of the spectrum were LBs that had a UK head office and no overseas presence, that is, no sites or offices in markets outside of the UK. In the middle of this spectrum were LBs that had sites in the UK and one or two other markets, such as the US and the EU, but no presence in other regions such as Asia, Latin America, Africa and the Middle East.</p>	No data available

Variable	Description of sampled businesses	Export Client Survey Descriptive Statistics <sup>6</sup>
<b>Export maturity</b>	<p>LBs varied in their overall level of maturity as exporters. Those that were on the more mature end of the spectrum were more likely to be medium or large LBs, with a significant international presence in a number of markets, have been exporting for more than ten years, have more experience of accessing a new export market, and over 50% of revenue was from exports.</p> <p>At the other end of the spectrum were the less mature LB exporters. These were likely to be small or medium LBs, have a low international presence, have been exporting for less than ten years, have no experience of accessing a new export market, and less than 50% of revenue was from exports.</p>	No data available

## **3 Barriers to exporting**

This chapter explores the barriers and challenges that prevent or hinder Large Businesses (LBs) from exporting more of their products or services. The barriers are grouped into those that were expected to be short to medium term challenges over the next 1 to 3 years, and those that were considered to have a long-term impact and would continue to be barriers to export growth in the next 3 to 5 years.

Notably, as reported in Chapter 2, very few LBs interviewed exported services only. There was therefore a lot of overlap in the findings, with those exporting both goods and services experiencing similar shorter and longer term challenges to those exporting goods only.

### **3.1 Key findings**

The main short to medium term barriers to exporting faced by LBs were caused by EU Exit and COVID-19. EU Exit had created barriers to maintaining export activities and presented difficulties for LB exporters of goods with understanding and adapting to new customs procedures and documentation. For some EU markets, this issue had started to be resolved more recently as LBs became more familiar with the new processes, however the requirements of other EU markets remained unclear. There was concern that barriers posed by EU Exit made UK exporters less competitive and that businesses may be required to meet two sets of regulations: both EU and UK. To address these challenges some LBs had (or were planning to) moved their operations and revised their growth plans.

COVID-19 had forced many LBs to put new market entry plans on hold due to travel bans preventing in-market relationships being established. Earlier on in the pandemic, maintaining existing export levels was impacted by reduced staffing levels.

Long-term barriers to exporting centred around difficulties entering new markets, rather than expanding in current markets. Market access barriers were a prominent challenge. This could include informal and formal barriers. Certain export markets, such as China and Russia, were often perceived to present the greatest challenges, due to having a cultural and regulatory framework that was more difficult for outsiders to understand. And yet these were the markets offering the greatest growth opportunities, particularly for more mature LBs. A lack of networks, resource and investment were also barriers to exporting, particularly for less mature exporters.

### **3.2 Short-term barriers to exporting**

At the time of interview, the impact of EU Exit and COVID-19 on exports was top-of-mind across the research sample. Due to EU Exit and COVID-19, LBs were currently facing greater challenges than usual maintaining activity levels in their existing export markets. It was hoped that these would be short to medium term barriers to exporting.

Both LBs and DIT staff were of the view that entering new export markets is typically more challenging for LBs.

#### **3.2.1 EU Exit**

EU Exit had been particularly challenging for LBs that exported goods to the EU because of the changes to regulations and customs documentation requirements. These businesses had invested considerable resource in preparing for EU Exit. The lack of certainty leading up to

the end of the transition period had caused LBs considerable difficulties planning and preparing for the post-transition phase. Some LBs had moved distribution and manufacturing operations out of the UK to the EU before the end of 2020, with others planning to do so. This action was taken to avoid customs documentation issues post-transition phase and due to concerns that in the future LBs may be required to meet two sets of regulations: both EU and UK. Some examples of challenges posed by the new processes post-EU Exit included:

- Difficulties with obtaining an Economic Operators Registration and Identification **number** for goods deliveries to the EU, which had resulted in failed deliveries.
- The requirement of LBs that exported food products to the EU to obtain health certificates for certain products.
- Issues with exporting to Northern Ireland and the Republic of Ireland due to uncertainties around documentation requirements.
- Variation between the border agents of different EU countries in their interpretation of the new customs procedures and paperwork requirements.
- Challenges understanding and navigating the new rules of origin requirements for products exported from the UK to the EU via a third country.
- The requirement of EU customers to pay VAT upfront on goods they imported from UK suppliers before they could be released from customs. This was understood to have a negative impact on customers' cash flow. LBs feared that this deterred EU customers, particularly those that had no prior experience of importing from outside the EU, from using UK suppliers, and would ultimately make them less competitive in the EU market.
- Delays at borders deterred EU-based haulage companies from taking on jobs that involved travelling to the UK to pick up deliveries and transporting them back to the EU. This had made it more difficult for LBs to source haulage services and had driven up transport costs.
- A potential lack of UK and EU regulatory alignment was generally reported as a future concern, however, one LB in the sciences sector had found that since EU Exit, the clinical test results they produced in the UK were no longer recognised by their EU customers. This issue was perceived to be due to regulations having diverged upon EU Exit, with their service no longer compliant with and recognised by EU regulations<sup>7</sup>.

There was variation between these types of challenges in terms of how long they were expected to take to resolve. The challenge with customs documentation appeared to vary between different EU markets. Some LBs felt that they had recently started to make progress with understanding documentation requirements to export to certain EU countries, while other EU countries remained more challenging.

"We've got back in to a flow and it's now working as it should. It's definitely going to be a lot more straightforward now. We know who to use in terms of agents. We've managed to establish good relationships with those people and they get us."

(LB, large, goods exporter, manufacturing)

In contrast, the requirements of other EU markets were still unclear and continued to be an issue. This had implications for LBs that exported to several EU countries. These LBs had a

<sup>7</sup> Note, whilst understood by the LB to be a misalignment of regulations, the issue may be due to a lack of mutual recognition of certification requirements following EU Exit.

greater variety of requirements to understand and establish processes for than a LB that exported to just one or two.

“It seems that each European country are looking for something different. Italy and Spain are looking for something different from Germany and France in terms of what information they want for each customs declaration. And they keep changing their requirements.”

(LB, small, goods exporter, manufacturer)

Furthermore, the challenges around VAT payments and disincentives for haulage companies to take on UK work were expected to continue as long as there was no foreseeable workaround for these obstacles.

Altogether, these issues fed into an overarching concern among LBs that EU Exit was making their UK business less competitive. This was predominantly due to regulatory changes leading to increased costs and longer delivery times of goods exported from the UK to the EU.

**To adapt and overcome these barriers**, some LBs were planning to or already had made changes to their business model and structure. Examples of such changes included:

- Setting up a new distribution centre or office in the EU – in anticipation of disruption that might be caused by EU Exit to exports to EU markets, some LBs had set up distribution hubs in the EU during the transition phase of 2020. Such action was taken in order to put extra stock in the supply chain that was already located in the EU to avoid any potential disruption to shipping from the UK to the EU post-EU Exit.
- Changing the business model - one company had expedited its plans to move from exporting goods to providing digital solutions due to the problems with border regulations post-EU Exit.
- Moving production out of the UK into the EU from where they could supply the EU more easily and cost effectively. This step was taken primarily to avoid border delays and additional costs incurred through new customs processes, although technical regulatory barriers were also a factor. For example, one large LB had felt forced to make the decision by October 2020 (due to a continuing lack of clarity on the outcome of the transition period) to train staff in their EU affiliate company in their area of expertise so that their service could be provided from the EU instead of the UK. This action was also a response to their clinical testing service no longer being recognised by EU markets once EU and UK regulations diverged. The LB therefore turned its UK focus to serving the UK market rather than exporting to the EU. The net result of this formal market access barrier was that UK export revenue was reduced, whereas the LB had previously had growth plans.

“This situation means we are more likely to be servicing UK clients rather than exporting. We've got to consider where we invest to put specialist services or new technology...we would now look to put that in the European Union rather than the UK because of delays.”

(LB, large, exporter of services, sciences sector)

### 3.2.2 COVID-19

COVID-19 was another short to medium term exporting challenge that LBs faced. Travel restrictions under lockdowns had been a significant barrier to both goods and service exporters entering new markets. Without being able to meet key contacts in new export

markets face-to-face, LBs explained that it was impossible to build the relationships and understanding of the market that they needed. Several LBs had begun the journey of exploring the feasibility of accessing a new export market before the pandemic but had been forced to put the project on hold until international travel could resume.

For goods exporters, the pandemic had additionally caused difficulties maintaining export activities due to the impact of reduced staff involved in global supply chains, production processes and transportation. Furthermore, the pandemic had led to downward pressure on pricing, and on customer demand and therefore export sales. However, these challenges had been most severe during the first lockdown in the Spring of 2020, and since then businesses had typically rebounded. LBs noted bigger fluctuations of export activity between quarters in the financial year of 2020-21 than they had ever experienced before. There was a general consensus that the initial challenges caused by lockdowns had largely been overcome by early 2021.

It was noted by both LBs and DIT staff that the impact of the pandemic on export sales varied by sector and even by particular businesses and product lines within a sector. For example, while the pandemic had had a disastrous impact on many businesses in the food and drink sector due to the closure of hospitality sectors in overseas markets, some LBs in that sector had been able to move to online sales which had led to a significant increase in exports.

### **3.3 Long-term barriers to exports**

Current affairs aside, LBs and DIT staff explained that it was typically more challenging for LBs to access a new export market than to identify export opportunities or increase exports to an existing market. There were several reasons why such barriers were more challenging in the longer-term, which are discussed below in order of prominence.

#### **3.3.1 Market access barriers**

This was broadly split between formal and informal barriers. The former included regulatory barriers, such as market entry certification, tariffs (such as the protectionist tariffs of Brazil), legislative requirements, and tax systems. For example, there were instances where LBs in the manufacturing sector were required to adapt their product by producing it in a different size to meet the particular regulations of an export market. The perceived or expected misalignment between EU and UK regulation and increased documentation requirements post-EU Exit were other examples of formal market access barriers. Notably, visa requirements were the most commonly reported challenge in relation to exporting services although regulatory issues were also raised (see 3.2.1).

Informal barriers centred around a lack of knowledge and understanding of the local business culture in the export market. This included a lack of understanding of the customary ways of doing and winning business, including who were the key players, how relationships were built, and how to promote or position a product to appeal to the local market. Language barriers could also come in to play. These forced LBs to be more reliant on contacts who could speak the local language and thereby provide local guidance and intelligence. Service exporter LBs were as likely to experience informal market access barriers as goods exporters.

These informal market access barriers were more prominent when trying to enter markets that were less closely aligned, culturally and politically, with the UK, such as China, Russia and Japan. For the purpose of this report these are referred to as 'hard to access' markets. These markets tended to have a more complex regulatory, political and cultural landscape for a UK LB to understand and to navigate. Forging relationships with contacts with local

knowledge of these informal market access issues was therefore particularly important. It tended to be large to medium LBs that needed to access such markets in order to grow.

Informal market access barriers were also present when exporting to more ‘underserved’ markets. These were countries that were less commonly exported to, with which there was less overall international trade and therefore generally less expertise in accessing those markets. Examples included Senegal and Trinidad.

“We need to understand the market, and some of the cultural sensitivities in the market that we need to be aware of.”

(LB, large, exporter of goods, retail)

The potential impact of market access barriers on LBs export activity were mixed. The perceived difficulty of accessing a market could be a barrier to consideration or prevent an opportunity being pursued after conducting research. Among those that continued to pursue an opportunity, some found these barriers to be temporary, whilst for others informal or formal export barriers had prevented them from winning contracts, particularly in hard to access markets (see 3.3.2 and Chapter 4)

### 3.3.2 LB perceptions of specific markets

Decisions around whether to target a new export market were influenced by a LB’s perceptions of that market and of how risky the venture would be. Such perceptions could be based on formal and informal market access barriers. Prominent developing markets such as India, China and Russia, were perceived by LBs to have a business culture and regulatory framework that was particularly difficult for outsiders to understand. This reinforced the attitude that these would be more difficult markets to penetrate. Yet, many LBs, particularly mature LBs that had saturated the ‘easier’ export markets, recognised that they needed to position themselves in these developing markets to grow.

LB perceptions of the strength (or lack) of the relationship between the UK government and the export market contributed to these attitudes. If this relationship was perceived to be unpredictable and at risk of volatility, this could deter LBs from exporting to a particular market. A LB would hesitate to enter a new market if they considered the venture to be vulnerable to a deterioration in the relationship between the UK and overseas governments for political reasons that were outside of their control. Further, certain export markets were perceived to favour their own, internal suppliers or certain overseas trading partners. These preferences could be underpinned by formal market access barriers such as regulation, legislation and tariffs. LBs considered that such preferences made them less competitive as a UK business when trying to access particular markets. DIT staff also raised the issue of cultural bias in some markets, and LBs’ consequent need for political support to win contracts.

“Relations aren't always great for example with Russia, their preference is to buy from China or India perhaps, rather than a British company. We tried it in China but then we backed off a little bit. So, the politics in places makes a difference.”

(LB, small, exporter of goods, manufacturing)

A LB’s perceptions of specific markets were also based on their awareness of difficulties experienced by other businesses in their sector while attempting to export to that market.

These included corruption and bribery, or poor practice of players on which an exporter would be reliant at particular stages in the export journey, such as border officials that allowed time-sensitive goods to be delayed at customs. This could lead to internal resistance within LBs and challenges getting buy-in from the company's Board of Directors if they perceived a particular export market to be too risky.

### 3.3.3 A lack of networks

LBs and DIT staff explained that a significant barrier, particularly for small LBs, to accessing a new export market in which the LB was unknown, was a lack of access to reliable contacts. Even LBs that had already identified customers in a new market could struggle to find agents and key contacts who they could trust to represent the LB's best interests in the market.

A lack of networks was typically less of a barrier for large to medium LBs that had a greater multinational presence. They could draw on the networks and knowledge of subsidiaries in one country in a region to make connections with key players in another country in the same region.

"We would use local contacts where we have them. So for example, if we were looking to access Russia, would start by using our managers in Eastern Europe who probably would have contacts in Russia."

(LB, large, exporter of goods, manufacturing)

Nevertheless, even large LBs with a long history of exporting to other markets and where exports were a high proportion of their business could lack the contacts they needed in a new market. This was particularly likely if they were trying to enter a hard to access market, and/or one where the LB had no presence in that region. For example, one LB that had been exporting for over 25 years to the US, Brazil and Europe wanted to access the Russian market. They perceived the main challenge to be developing relationships with key players in these markets and winning their trust.

A lack of networks was also less likely to be a barrier for LBs in niche sectors. These businesses were typically part of a small global network of players in their field. They were therefore cognisant of and well-connected to new potential customers and other key contacts such as distributors.

"It's not that big an industry and there's not that many people qualified to that level so we tend to all know each other."

(LB, small, exporter of goods, manufacturing)

### 3.3.4 A lack of resource

Although not widely cited as a barrier to accessing new export markets, for small LBs and lower revenue exporters, the resource implications of pursuing an opportunity to enter a new export market was a more significant consideration. This could be due to a lack of investment in export-focused roles in businesses for which exports were a smaller proportion of total sales.



### 3.3.5 A lack of investment

There were small LBs, including those for which exports comprised a high proportion of revenue, that were conscious of the need to account for the time they spent investigating a new export opportunity. This meant that they could not afford to invest significant resource in exploring the feasibility of a new export market unless they had a high level of confidence that it would be a worthwhile investment.

“You don't want to put a lot of effort into something without that guarantee of return, it's always that balance of where you're going to put the money and the effort... we don't want to take too much of a risk of not getting value for something, you don't want to have spent £200,000 by the end of the year and not got anywhere”

(LB, small, exporter of goods, manufacturing)

There were also some smaller LBs in the manufacturing sector that required funding to boost their UK manufacturing capacity to be able to export to a new market.

## 4 Support needs during the export journey

The experience of exporting was divided into distinct stages and participants were asked to discuss each stage of the export journey. It should be noted that for any Large Business (LB) these stages might overlap. Discussions focussed on journeys that involved a LB accessing a new export market as early in the interview process these were identified as where support was most likely to be needed. This chapter considers the support required by LBs at each stage of the journey, and how this varied by LB characteristics. It also examines the sources of support accessed by LBs at each stage.

### 4.1 Key findings

LB support needs were explored at each stage of the export journey. At the **trigger** stage, LBs perceived limited need for support. For most LBs the trigger was driven by internal factors, that is, the need to seek a new export market to grow. However, for some LBs, the trigger could come from external factors, such as being approached with an export opportunity or funding that could increase their export capability. There was perceived to be opportunity for DIT to make LBs aware of wider export opportunities and funding. Further, DIT could help address negative perceptions of the risks of trading with hard to access markets, to encourage and enable more LBs to export to these countries.

At the **discovery** stage, LBs required support with gaining market analysis data and initial understanding of the formal and informal barriers to accessing a market together with identifying key contacts. Private sector services were more commonly used at this stage, although there was some use of DIT services such as trade missions and Overseas Market Introduction Service (OMIS) reports. This, in part, reflected low awareness of DIT support available. Mature, international LBs typically had less need for support at this stage as they could draw on their internal networks, unless scoping an underserved market. Less mature and small LBs were more likely to require support due to limited internal resource.

When **developing and preparing** their export strategy, LB support needs centred around overcoming formal and informal market access barriers. LB exporters of goods could require support with issues encountered when moving materials, products or staff across borders when preparing their bid or acquiring export licenses. LBs also considered how to best position their product or service competitively in the market at this stage. LBs in public service sectors (such as energy, utilities, defence and aerospace) in particular drew on DIT support to access key contacts and knowledge to address market challenges. Those entering hard to access and underserved markets also had more need for support at this stage.

At the **winning** business stage, LBs in public service sectors (often large and multinational LBs), had the greatest need for DIT support as DIT had close ties with the key stakeholders in these markets, including the 'customer'. Through government-to-government contacts, DIT could lobby the overseas government, promote the LB, and provide feedback on how to strengthen their bid. In contrast, LBs in commercial sectors (such as goods manufacturers) saw this stage of the export journey as a commercial, business-to-business process with which they generally did not require DIT support.

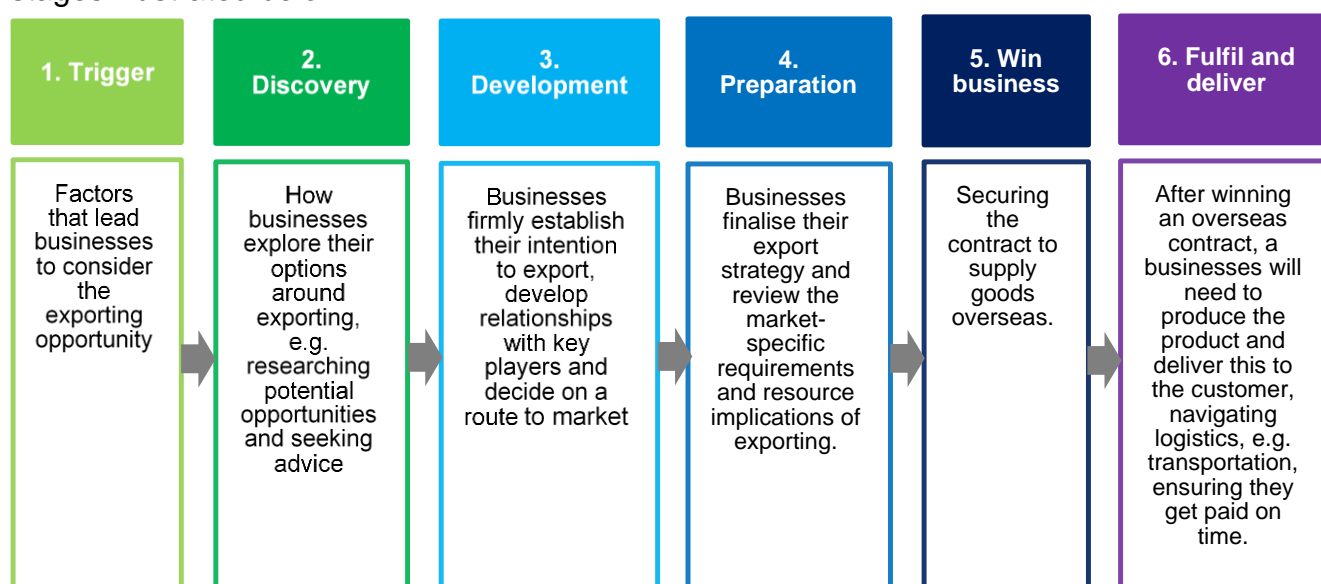
To **fulfil and deliver** on the export contract, goods exporters (including large and multinational LBs) often required tactical support at crisis points, such as when goods became stuck at borders, or help with resolving issues with customs documentation. DIT

could provide, or at least signpost, to such support. Due to EU Exit, these issues had become more common, resulting in an increase in LBs contacting DIT for help at this stage.

The main factor that influenced which stages in the export journey a LB would require support from DIT was its export maturity, with more and less mature LB exporters having different support needs at different stages. Overall, less mature exporters were more likely to need support at the discovery stage due to their limited experience and resources. More mature exporters were more likely to value support later in the journey and to enter underserved and hard to access markets. Sector and type of export was also found to play a role, with goods exporters and public service LBs generally needing more support from DIT than service and commercial exporters. However, this may, in part, be due to limited understanding of how DIT can support these LBs during the export journey.

## 4.2 Support needs along the export journey

Past DIT research has found that the typical export journey can be broken down into the six stages illustrated below<sup>8</sup>.



Participants were asked to consider examples of export journeys they had been on and their support needs at each stage of the journey. The focus of discussion was on journeys to access a new export market rather than expand in an existing market, as these were typically considered by both LBs and DIT staff to present more significant challenges. For any particular LB, these stages could have areas of overlap, and the development and preparation stages in particular were not seen by LBs as distinct. Support needs at each stage of the export journey are discussed below.

### 4.2.1 Trigger

The principal trigger for a LB to consider entering a new export market was the need to grow the business. Often LBs explained that the UK market had already been saturated and they needed to look to overseas to continue their growth.

On the whole, LBs felt they did not require support from DIT to identify new export markets because they could use their industry knowledge and contacts to do this. Through their

<sup>8</sup> Barriers of exporting firms and the role of export promotion in addressing them, March 2020

industry networks, attendance at trade shows and events, membership of trade associations and by reading industry publications they were able to keep abreast of developments in their sector across the globe and identify markets that would be worthwhile investigating.

“I was going to trade shows in Europe and noticed that there were always a lot of Turkish manufacturers there, so I realised this is where a potential new market is for us. I came away from the trade show with about four names of the big companies in Turkey.”

(LB, small, exporter of goods, manufacturing)

However, there were instances where the trigger came from external factors. These included (i) being approached with an export opportunity, or (ii) becoming aware of government funding that could increase their export capacity. The first instance was particularly the case amongst LBs in niche sectors who were among the global leaders in their field. Due to their international reputation, they were likely to be approached by potential customers in new export markets and therefore had less need to proactively seek new market opportunities.

The second was notably a trigger for small LBs in the manufacturing sector to consider exporting to a new market. The government funding enabled them to enhance their UK manufacturing capability in order to meet the requirements of a new export market. It was noted that new export markets could require a product in a particular size or, in the pharmaceutical industry, particular strengths. This meant that small LBs had to invest in their manufacturing sites to produce a product that met these specific requirements. One small LB manufacturing participant had been supported by DIT in their bid to secure the funding that enabled them to produce a new export product.

“We had to consider the cost of site investment that would be needed to produce the new product. We already had the skills and knowledge but had to ensure we could afford the investment in the factory. We bid for a regional growth fund grant, and DIT supported us in writing the bid”

(LB, small, exporter of goods, manufacturing)

LBs did not view the trigger stage as a primary area where they required support. However, there appears to be scope for DIT to play a role in providing those external triggers by making LBs aware of wider opportunities. This includes raising awareness of the breadth of export opportunities available and funding to increase export capability, particularly for small LBs manufacturers. Further, it could strive to help LBs to overcome their negative perceptions of exporting to hard to access markets. As discussed in section 3.3.2. this was a strong barrier for mature LBs who recognise these markets offer substantial growth opportunities.

#### 4.2.2 Discovery

The discovery stage of the export journey was where a LB determined the feasibility of accessing a new export market. LBs required support to:

- understand the level of demand and profitability of a particular market.
- identify potential customers, key stakeholders and other contacts in the market such as agents and distributors. LBs in niche sectors which had a small global network, and large to medium LBs with an extensive multinational presence, were generally able to identify these key contacts without external support.

- gain an initial awareness and understanding of the potential market access barriers, including formal and informal barriers.

LBs often relied on support from private sector services and in-country subsidiaries at this stage. This was due, in part, to a lack of awareness of relevant DIT services. LBs aware of DIT services at this stage did utilise this support if they expected it to be valuable to their business. Sources of support that LBs had accessed at this stage of the export journey included:

- **Private sector services** – these included large consultancies providing market research analysis and smaller, in-country specialists with extensive experience of supporting UK companies to do business in that particular market. These consultancy services could provide a range of information, advice and guidance on market data, and formal and informal barriers in the export market.
- **DIT support** – DIT helped LBs to identify key contacts in the market and gain some initial market knowledge. Trade missions provided LBs with market information, including formal and informal barriers and advice on how to overcome those barriers, and face to face meetings between the LB and potential customers or key stakeholders. DIT Posts also provided access to key contacts and market knowledge at this stage, including for markets that are less well served by private sector companies. In addition, DIT provided OMIS reports on specific markets. These provided detailed market data, information on key contacts, regulatory and legislative frameworks and business culture. OMIS reports were more likely to be commissioned by LBs that worked closely with DIT, such as those in public sector services, that were more likely to be aware of this source of support.
- **In-country subsidiaries** – multinational LBs that already had subsidiaries in the export market or region could draw on their knowledge and networks in the market to obtain information and connect with key contacts. Subsidiaries often acted as the UK LB's agent in the export market; representing them and acting as a conduit between the UK LB and customers and other key players.

As noted in sections 3.3.4 and 3.3.5 on barriers to exporting, smaller LBs were more likely to have resource constraints. They therefore needed to explore a new market as cost-effectively as possible at the discovery stage. This could also be the case for large LBs with low export revenue and international presence. Thus, less mature LBs were more likely to need support at this stage.

That said, it was noted even by LBs with an extensive global presence that although they were able to obtain information about a new market through their subsidiaries and private sector services, any additional information and support that DIT could provide would be valuable. That is, DIT support was perceived to further enhance their overall understanding of a market. Additionally, DIT support was needed by LBs that were trying to access underserved markets to which exports were rarer. Such markets were considered to be less well-covered by large private consultancy services.

#### 4.2.3 Development and preparation

For the purposes of discussion and analysis, these two stages of the export journey are covered as a single stage, as LBs did not perceive them to be separate stages. When

developing and preparing an export strategy, LBs built on the information gained at the discovery stage to develop relationships with key players and plan their response to specific export market requirements. Their support needs at this stage centred around:

- **Developing relationships with key players** - LBs in all sectors emphasised the importance of forging trusted relationships with contacts in a new export market. A LB's lack of knowledge and understanding of a new market could leave them feeling vulnerable and fearful that their naivety could leave them open to exploitation. This was particularly the case in export markets that had a very different business culture and regulatory framework to that of the UK (referred to as 'hard to access' markets), that was more difficult for outsiders to understand.

For LBs in sectors with close ties to the public sector (often large and multinational LBs), it was essential that they engaged with key government stakeholders in the export market in order to forge relationships and gain the political support and regulatory approval needed to win the business. It was noted, by both LBs and DIT staff, that this process could take years. Further, it required UK government to provide the LB with access to its counterparts in the export market and to represent the LB in that market.

"The contract has to be approved by government and the regulator and this is where it's got stuck...we need the UK government to speak to Chinese government to get the Chinese government to approve it...the UK government can build those relationships with government stakeholders as well as the regulator who's the one responsible for agreeing contracts. So those relationships that the government has they are able to introduce us into."

(LB, medium, exporter of services, utilities)

LBs in commercial sectors tended to seek support from private consultancies with connecting to key players. If they were aware of it, they would also access support from DIT, perceiving it as helpful to access as many sources of support as possible. DIT Posts in overseas UK embassies connected LBs with the relevant contacts in export markets and set up meetings for them. This type of support could also be sourced from private sector consultants. Such consultants would typically have extensive personal experience and knowledge through living and working in the country and were contracted by the LB to represent and support them.

- **Planning how to meet market-specific requirements and overcome formal and informal market access barriers** - these could include regulatory and legislative requirements, product certification, payment processes, credit assurance and insurance. This type of support could be provided by agents, private consultancies, or DIT. There was some variation between different types of LB in terms of their support needs with this aspect of preparation. In the case of LBs with more experience of entering new markets, they tended to have a tried and tested blueprint of these processes which they would replicate with each new market entry. For example, such LBs in commercial sectors would generally understand that at this stage in the export journey, they needed to establish credit assurance and bank guarantees to ensure they received payment for their goods or services. They would use internal resource or have existing relationships with private consultancies to support them with these activities. Goods exporters (including those in the commercial sector) could require export licence approval at this stage, which could be expedited by DIT. For LBs

preparing to access non-English speaking markets, they typically required support from native speakers who could help LBs understand data that was not available in English.

- **Market positioning** - this could involve a range of activities to understand how to position the LB's product or service competitively, including costing their product, and marketing their brand or product in the region. While LBs in commercial sectors typically accessed support from private sector consultancies with costing and pricing, DIT could meet the LB's needs around marketing at this stage. This was particularly the case if DIT could enlist the support of high-level government contacts with raising the profile of the LB's brand in the export market.
- **Tactical support with border and immigration issues** to help prepare their export plan - examples included instances where LBs needed to import goods to build their manufacturing capacity or arrange for staff to travel to the UK to provide their expertise. This type of support was typically provided by DIT, as its government contacts enabled them to quickly resolve such issues.

"Say when I needed someone from our India head office to advise on a machine that we needed to put together a competitive bid. DIT immediately put me in contact with the appropriate people in India to sort out a visa for this guy to travel to the UK to help us...that was done within a couple of days."

(LB, small, exporter of goods, manufacturing)

There was therefore a number of areas that some LBs felt DIT could provide support at the development and preparation stage of the export journey. For public service exporters DIT support was critical at this stage as private sector services did not have the connections with key public sector players in the export market that DIT had. LBs in commercial sectors could value DIT support for helping them to meet regulatory requirements and resolve issues and connect to influential in-market players, but generally relied more on private sector organisations.

#### 4.2.4 Winning business

When securing the contract to supply goods or services to the overseas market, LB support needs depended on sector. LBs in sectors that had close ties with public services (typically large to medium LBs that could include multinational businesses), such as defence, energy and large infrastructure projects, relied on support from the UK government to help them to win the contract. They needed the support of DIT Posts in particular, in order to: connect with high level stakeholders; lobby the overseas government; help to shape the overseas market's perceptions of the LB, and feedback views on the bid and how they could enhance its competitiveness. DIT Posts, through their close links to customers in overseas public services, were able to provide LBs with detail on what the customer in the overseas market wanted to see in the bid. They could also provide up-to-date information on how the sector landscape was changing over time. Both LBs and DIT staff felt this type of support was needed from DIT due to its high-level political connections and influence overseas.

### Case Study

A large UK business was seeking to win a contract in a new export market in the Middle East. The business approached DIT for help with shaping perceptions of the company among decision makers in the export market. DIT provided the business with direct access to key government figures, and involved the UK Prime Minister and Secretary of State in promoting the company's merits to their counterparts in the export market. Further, DIT fed back intelligence on what the business needed to do to make their bid more competitive.

*The embassy gave inside relationship support with the [country's] government in terms of messaging, creating access for [the large business] to do their own messaging from the Chief Executive...We were picking up feedback particularly around what they needed to do to sharpen the pencil on the cost of their proposal, as against other companies. (DIT Staff)*

In contrast, LBs in commercial sectors did not typically require such support from government at this stage. This was because their industry was less closely linked to the political landscape in the export market. For them, this stage of the journey was generally completed by sales staff via a commercial negotiation process, based on their in-depth understanding of the industry and product or service they were exporting. However, although there were no specific experiences of this in the sample, it appeared that this would differ for LBs in commercial sectors that were entering hard to access markets such as China and Russia. Some LBs felt that in such situations they might benefit from DIT support at the winning business stage due to the particular challenges these markets presented. They would require government-to-government liaison to shape perceptions of the LB and influence key stakeholders to help the LB to overcome formal and informal barriers to win the contract.

At this stage of the export journey, in addition to continuing to support contract wins for LBs in public service sectors, there is therefore an opportunity for DIT to support LBs in winning contracts in hard to access markets.

In addition, LBs in any sector could require support with negotiating and finalising contracts in the local language at this stage. Agents and private legal firms were often hired to provide such tactical support to LBs in commercial sectors. There were also examples of large LBs in sectors with close ties to public services receiving support from DIT Posts to negotiate contracts.

*"We can use the might of government to do some top-level promotion for these guys. For example, [a LB] was opening a big distribution centre in Country A and a member of the Royal Family was visiting the country. They went to open the store, which generated a huge amount of publicity that [the LB] would find invaluable"*

(DIT Staff)

#### 4.2.5 Fulfil and deliver

To fulfil and deliver on the export contract, goods exporters could require tactical support at crisis points, such as when goods became stuck at borders. These problems often arose when the documentation requirements of a particular market were unclear to the LB. LBs tended to require urgent support at this stage as the issues encountered were generally time sensitive and required immediate resolution to enable deliveries to proceed as contracted. Moreover, LBs could feel particularly powerless to resolve border issues as they related to policy that was determined by overseas government officials.



“The tricky bit for us is customs ...knowing how long customs will take...we could ship first of Jan but it takes 4 months to get there but if paperwork isn't there, it can be really painful...you can have painful admin hurdles and you are just powerless.”

(LB, small, exporter of goods and services, energy sector)

DIT could support with these issues by helping a LB to understand and navigate customs requirements. DIT was also able to link the LB with government contacts that had the power to resolve border issues, such as HMRC and their counterparts in overseas markets. DIT was therefore seen to have a critical role to play at this stage in helping LB goods exporters resolve issues around customs documentation and hold ups of freight at borders.

Although these challenges had been encountered by LBs prior to EU Exit, they had become more common for exporters to the EU in recent months. LBs that otherwise would normally not have significant need for support from DIT at this stage (such as large LBs with a multinational presence) had recently required information and guidance on how to navigate new customs procedures post-EU Exit. DIT staff also noted that they were receiving a higher number of requests from LBs than usual to help them connect with a distributor or agent in the EU since EU Exit and the COVID-19 pandemic. In the latter case, LBs were looking for contacts to represent them and maintain exports to the EU while they were unable to travel themselves due to COVID-19 lockdown restrictions. However, the increased need for support in this area was considered to be temporary due to the combined challenges posed by EU Exit and COVID-19, rather than a longer-term support need.

### 4.3 Variation in DIT support needs by LB type

It was evident from interviews with LBs and DIT staff that the particular DIT support needs of LBs could be wide-ranging and varied depending on the particular LB and the stage of the export journey they were at. Looking across the spectrum of LBs, they can be broadly segmented by their export maturity. That is, the mature exporters (LBs that were large or medium-sized, with a significant international presence and experience of exporting, and high proportion of export revenue) had different support needs to the less mature exporters (LBs that were small or medium-sized, with a low international presence and experience of exporting, and low proportion of export revenue). Overall, less mature exporters were more likely to need support at the discovery stage due to their limited experience and resources while more mature exporters were more likely to need support later in the export journey and to access underserved and hard to access markets.

Sector and type of export was another influential factor, with goods exporters and public service LBs generally needing more support from DIT than service and commercial exporters. However, in relation to the latter, this may partly be due to a lack of awareness and understanding of how DIT can add value over private support services during the export journey.

Table 4.3.1 below therefore illustrates how LB's need for support from DIT at each stage of the export journey varied depending on the maturity of the LB, combined with the sector and type of export (public service, goods, commercial) and target market (underserved, hard to access).

**Table 4.3.1 Key stages of export journey where more mature and less mature LB exporters have the most pronounced support needs<sup>9</sup>.**

Stage of export journey	Mature LB exporters					
	Manufacturing sector	Exporter of goods	Exporter to underserved markets	Exporter to hard to access markets	Public service sector	Commercial sector
Trigger				✓		
Discovery			✓		✓	
Plan development and preparation		✓	✓	✓	✓	✓
Winning business				✓	✓	
Fulfil and deliver		✓	✓	✓		

<sup>9</sup> Note: LBs can still want and appreciate support where there is no tick, however, the need for support specifically from DIT is relatively less strong in comparison to the areas that are highlighted. There is also overlap between LB characteristics that can influence support needs, for example, manufacturing exports in the public sector or entering hard to access markets are more likely to need support. However, it is less mature LBs at the trigger stage that reported a need for support specifically in relation to manufacturing.

Stage of export journey	Less mature LB exporters					
	Manufacturing sector	Exporter of goods	Exporter to underserved markets	Exporter to hard to access markets	Public service sector	Commercial sector
Trigger	✓		✓			
Discovery			✓	✓	✓	✓
Plan development and preparation		✓	✓	✓	✓	✓
Winning business				✓	✓	
Fulfil and deliver		✓	✓	✓		

## 5 Views on DIT export services

This chapter explores the views of Large Businesses (LBs) on the support they had received, or perceived they would value, from the Department for International Trade (DIT) at each stage of the export journey. It looks at where DIT was considered uniquely placed to offer support, as well as where and why there were preferences for non-DIT services. It also considers where there were gaps in support, and opportunities to streamline DIT's support offer.

### 5.1 Key findings

There was limited experience of DIT support at the **trigger stage** of the export journey. Small LBs that had received help accessing funding, highly valued this support from DIT although the delivery of funding was not always timely. In terms of gaps in support services at this stage, some LBs felt DIT could take more steps to strengthen government-to-government relations with hard to access markets to improve LB's ability to export to these. Small manufacturers also wanted DIT to be more proactive at this stage, for example, by highlighting invitations to tender and funding opportunities.

DIT support services at the **discovery stage** were most valued by small and less mature LB exporters, LBs in public service sectors and those accessing underserved markets. Trade missions were widely viewed as a unique DIT service. Beyond this, the quality of DIT support services were reported to be mixed and equally, if not better, served by private sector companies. In terms of support gaps, the breadth of HMG's global presence was seen as a unique DIT asset that could be leveraged to help more LBs access export markets that are underserved by the private sector.

At the **preparation and development stage**, DIT was seen as playing a unique role in supporting businesses due to its high-level contacts that could help LBs overcome formal and informal market access barriers. This type of support was most used and valued by LBs in public service sectors, and those entering hard to access and underserved markets. Commercial exporters also valued DIT support in overcoming regulatory issues when made aware of this service. However, especially when developing their detailed export plans, they were more likely to prefer private sector support. Private services were felt to provide highly personalised, confidential support with developing key relationships and promoting and protecting the LB's best interests. Trade bodies and associations were also valued for providing sector-specific information and contacts. These LBs perceived DIT services as less personalised, industry specific or focused on individual business needs. In terms of support gaps, commercial exporters wanted more clarity on DIT's position on confidentiality and impartiality. There was also the desire for the UK to have greater in-country presence in hard to access markets to support LBs at this stage.

At the stage of **winning business**, more mature LBs in public service sectors and/or those exporting to hard to access markets most valued DIT support. These LBs and DIT staff saw DIT as playing a unique role at this stage. DIT's high-level connections could help shape perceptions of the LB in the export market and increase its chances of winning the contract. However, DIT staff felt it was important to manage expectations as there was no guarantee that DIT support could secure a contract. Commercial exporters saw little value in DIT support at this stage.

At the stage of **fulfilling and delivering** on a contract, DIT support was most valued by goods exporters requiring time-critical support and intervention from high level players, such as government departments and authorities. Due to its internal connections with other UK government departments, DIT was perceived to be uniquely placed to support LBs in overcoming customs and border issues that their existing partners (for example, in-market agents and logistics partners) could not resolve.

## 5.2 Trigger

As discussed in chapter 3, triggers to accessing a new export market were mostly driven by internal factors, and where external factors did come in to play, these typically did not involve DIT. Therefore, most LBs could not take a view on DIT support provided at this stage.

“It would be useful to get news from DIT...because it would prompt conversations, to say well what about this market, oh I've never really thought of that, or did you know that your region is doing this...proactive help, because you don't know what you don't know.”

(LB, small, exporter of goods, manufacturing)

That said, the instances where DIT had supported LBs with funding an export venture, this service had been highly valued. One small LB's DIT account manager had provided them with information to strengthen their funding bid, and on winning the funding they were able to enhance their manufacturing capacity to produce a new export product for a new export market. This LB felt they would not have found such critical information to include in their funding bid as easily or quickly without help from DIT. Some smaller LBs who could have benefitted from this kind of support were not aware it was available.

However, there were also negative experiences in the administration of funding. For example, one LB did not receive the export funding until after they had completed the job and fulfilled the contract.

In terms of gaps in support services at this stage, some LBs felt DIT could take more steps to strengthen government-to-government relations with hard to access markets to improve UK exporters' ability to export to these (and thus, trigger them to do so). There was also the desire among smaller manufacturers for DIT to highlight priority export sectors and markets, and flag invitations to tender and funding opportunities. These LBs reported that this would influence their decision to export to a new market.

## 5.3 Discovery

At the discovery stage of the export journey, DIT support was provided principally in the form of signposting to relevant DIT Posts and partners, OMIS reports, talks and events and DIT-organised trade missions. All of these could provide LBs with an overview of key contacts, market analysis and market access issues. These DIT support services tended to be most valued by small and less mature LB exporters, LBs in public service sectors and those accessing underserved markets. Trade missions were considered a unique DIT service, alongside DIT's ability to support LBs to explore opportunities in underserved markets. Outside of this, the quality of DIT support was said to be mixed and equally, if not better, serviced by private companies.

LBs that had gone on a **trade mission** had found the experience to be highly valuable, as it gave them face to face contact with key contacts in the market, as well as providing them with introductory briefings on doing business in the market, including potential market access barriers. As trade missions were organised and visibly endorsed by the UK government, LBs valued them for adding a certain prestige to their image in the export market. LBs felt that had they organised a trip independently (or through a private sector support service), it would not have had the weight of the HMG label behind them. Additionally, LBs reported that trade missions allowed them to do the work required at this discovery stage in a highly efficient and timely way, due to DIT organising the meetings and information events. LBs explained that they would not have the knowledge or contacts in the export market to do the same without DIT support or, it would have taken substantially more time and resource. LBs additionally appreciated the support DIT provided with organising their accommodation and travel on trade missions. One large LB that was exporting to an underserved

“I could have spent 6 months of my life flying in and out every month but you don't want to put a lot of effort into something without that guarantee of return”

(LB, small, goods exporter, manufacturing)

market found this particularly helpful in a country that was culturally quite different to the UK. LBs appreciated the efficiency savings of such organisational support from DIT regardless of their size.

“[DIT] were excellent, the number of introductions that they were able to make. They gave me lots of advice. I was travelling as a female on my own in not the safest of countries, they advised what hotel to stay in, the type of transport to use. I would never have been able to do the trip that I did without that support.”

(LB, large, services exporter, energy)

Notably, there were some LBs that wanted to go on a trade mission but had never been made aware of the opportunity. In a similar vein, there was a view among LBs that did have experience of trade missions that it tended to be the same large LBs that accessed these opportunities. Both of these groups had the impression that more could be done to raise awareness and access to this support among the wider LB community.

There was also a segment of LBs that had not been on trade missions but did not expect they would be of value. This included LBs in niche lines of business within their sector. They did not expect DIT had sufficient understanding of the nature of their business to be able to identify the specialist contacts they needed to meet and provide information that was specific to their business. Examples of such niche LBs included a company that manufactured hi-tech engineering materials for specialist equipment, and another that designed and fabricated bespoke prosthetic limbs. These LBs felt capable of identifying potential customers and other key contacts in the target countries through their industry networks. Nevertheless, niche LBs did find country-specific information provided by DIT at the discovery stage to be helpful. This included information on formal and informal market barriers that were general to any sector, such as tariffs and business culture.

Small and less mature exporters were more likely to appreciate other DIT services at this stage due to having less export experience, internal capacity and networks. LBs that had attended events and talks delivered by DIT in the UK on doing business in a particular market found them to be valuable. These sources of information had provided LBs with a helpful

initial understanding of the market, including formal and informal barriers. These were compared favourably to trade events organised by the Chamber of Commerce that were felt to be too general.

**OMIS reports** were welcomed for providing details of key contacts and potential customers in the export market, market analysis data, and information on informal and formal market access barriers. LBs valued that DIT could source this information from Posts on the ground in the export market, who had reliable, first-hand, up-to-date knowledge and in-depth understanding of the market. Being subsidised, they were also considered good value for money. However, some LBs found the level of detail within the reports varied depending on the market, with private sector companies sometimes considered better placed to provide these. Among those that had been signposted to DIT partners at the discovery stage, the quality of support was also found to be variable (see Chapter 6).

During the discovery stage, LBs also accessed support from private sector support services. Preferences for these services over DIT were due to a lack of awareness of DIT support, familiarity of using and therefore easy access to private sector support, and the capability of private sector services to provide high quality support at this stage, based on an in-depth understanding of particular markets and sectors. LBs took the view that any and all information and support was welcomed at this stage, with DIT support services, as mentioned, being particularly valued by small and less mature exporters. However, LBs generally did not see this type of support, that is, understanding market access barriers and market analysis data, as an area where DIT was uniquely positioned to play, as private sector services were also active in this area. The exception was trade missions, which were viewed as a unique DIT service due to the weight and prestige of the HMG label and the efficient method in which DIT introduced LBs to in-market contacts and knowledge. Outside of this, there was perceived to be opportunity for DIT to streamline its support services at this stage.

In terms of support gaps, there was the view that DIT could provide more support in helping LBs to understand and access underserved export markets as private sector support services typically did not cover these. The breadth of HMG's global presence was therefore seen as a unique asset of DIT's support service.

"The network that DIT has in post across the world is pretty phenomenal in terms of its breadth... when you start looking a bit further afield like sub-Saharan Africa where there's not a high volume of international activity, DIT might be the only form of support in those sorts of instances. So there may be a role for DIT to play for large companies as they go a bit more off the beaten track to leverage that network in places that the world of service providers doesn't reach as well."

(LB, large, exporter of services, finance sector)

## 5.4 Development and preparation

The development and preparation stage was where DIT support was used by a range of LBs. DIT's high-level contacts and partners could provide LBs with critical access to the key players in their sector. These contacts were particularly valued for explaining how to meet regulatory requirements and resolving informal and formal market access barriers. LBs that had accessed this support from DIT saw it as a type of support that DIT was uniquely placed to provide. Other LBs that were not aware that DIT could provide such support, had relied on private sector services.

DIT's contacts and connections with high level players in the export market were viewed by LBs as a unique DIT asset at this stage. DIT had built relationships with key players in the export market over years which LBs could tap in to, quickly and efficiently, as and when needed. These key players included regulatory bodies, government ministers and officials in roles equivalent to DIT's internal partners in the UK government, as well as contacts in commercial sectors, such as commercial managers at large companies in specific sectors. These contacts were particularly valued by LBs trying to enter hard to access and underserved markets which could be more difficult to penetrate.

"There's a wonderful UK consulate officer in Shanghai ... She knows everyone, she does everything for us that needs to be done...introductions, she organises conferences, she sets up one on one meetings at drinks parties. ... We said it would be great to meet [a LB in] China, and 24 hours later we were meeting [the LB in] China. We've had exceptionally competent UK support in fostering Chinese links"

(LB, medium, exporter of goods, public health)

These high-level connections were also highly valued by LBs in public service sectors. They found that DIT played a similar role to an agent when they could not be in the country themselves, representing the LB to the key stakeholders in the export market. For example, after the LB had travelled to and returned from the export market country at the discovery stage, DIT Posts could act as their 'eyes and ears' on the ground. Posts could keep the LB updated on the changing landscape in the market and feedback information to help them shape their bid.

"There was a lot of information they gathered through their direct relationships. I just can't be there all the time to have those conversations whereas they are. They build the relationships in country and then introduce us to them. We rely on DIT a lot for that kind of stuff. In some ways DIT are our agents. They provide that voice from the ground and sometimes they even provide the support by speaking directly to them in their language, especially where there is a real language barrier, and DIT can really help us with that by their counterparts in country speaking to the relevant people in that market."

(LB, medium, exporter of goods and services, utilities)

DIT's **government-to-government connections** were also valued by LBs that needed this level of intervention to overcome market access barriers. There were a number of examples where DIT had facilitated interaction between leaders in the governments of the UK and export market. This was either to overcome formal barriers such as gaining regulatory approval or an export license, or informal barriers such as promoting and shaping positive perceptions of the LB in the export market. LBs that had received such support saw this as a role that DIT was uniquely placed to play, as no other support services had access to such high-level contacts. This type of support was most commonly provided to, and therefore valued by, LBs in public service sectors, which were also typically large or medium LBs. As an example, a medium-sized LB in the utilities sector that was trying to access China explained that they had got as far as they could with commercial negotiations. They were now waiting for the necessary negotiations between UK and Chinese governments to allow the LB to supply the Chinese market, which until now had favoured internal suppliers.



“What the UK govt and DIT have access specifically to is building those relationships with the regulator who's the one responsible for agreeing contracts... There's a contract that has been worked on in China... and we have been lobbying to allow for some imports in that contract. This contract is being negotiated... we need the UK government to help them with those discussions because we've gone as far as we can on the commercial side, and now it's a political issue to get China to let foreign imports come in”

(LB, medium, exporter of goods and services, utilities)

Public service sector LBs also found DIT support was critical in providing government to government assurance and expediting the export licensing process. Once more, DIT were seen as uniquely placed to provide such support due to their relationships with high-level players, such as the export market regulator.

However, there were examples of support provided by other governments to LBs at this stage in the journey that highlighted opportunities for DIT to go further with support it provided in this area. One LB gave the example of an organisation that the German government had set up in Shanghai to support German companies seeking to access the Chinese market. This organisation provided office space on their site in Shanghai for German companies to use while they prepared to get a foothold in the market. LBs felt that such support from the UK government would be strategically important and particularly useful when entering hard to access markets.

Another unique strength of DIT support at this stage was **Posts' local knowledge and understanding of underserved markets**. This was seen as unrivalled by private support services that did not have the same breadth of reach across the globe. DIT's presence in such markets was particularly useful when LBs needed to understand the detailed nature of an opportunity, how UK companies were viewed, and the broader political relationship between the UK and the export market. This information helped a LB understand how to position itself competitively in the market.

“Nobody from the [LB] had ever visited Senegal before, it was really new, there's just absolutely no way we would have got to the point of submitting a proposal without that in-country support. DIT informed us of our competitors in the bid, so other organisations that might also be bidding for the work, and advised us on what was happening in the market. That was really helpful. They could also tell me about the relationship between the UK and Senegal, that there's a strong positive image of the UK in that market, which helps us to angle our bid competitively.”

(LB, large, exporter of services, oil and gas sector)

DIT was also uniquely placed to provide support with moving goods and human resources across borders at this stage, similar to the role they played at the fulfil and deliver stage of the journey. LBs on occasion needed to import or export items to prepare and build capacity to export. For example, a manufacturing company might need to import machinery components that were required to produce an export product. Similarly, they might need overseas staff to travel to the UK to provide expert advice. In these instances, DIT's connections with internal UK government departments and authorities and their overseas counterparts enabled them to support LBs. They could help to organise and expedite visa approval or assist when parts became stuck at customs borders. This tactical support was helpful in enabling a LB to prepare their bid efficiently.

The main sources of **non-DIT support** at this stage included private sector consultancies, industry associations and trade bodies. These sources of support were more likely to be accessed by LBs in commercial sectors. In contrast, those in public service sectors were more likely to use DIT support at this stage for the reasons discussed in section 4.2.3. Reasons for commercial sector LBs choosing to use private sector support at this stage centred around a greater awareness of and familiarity with these services, and their ability to offer a greater allegiance to the LB, as well as intensive, personalised support with nurturing key relationships. In addition, trade bodies and associations provided sector-specific information and support with networking. There was a view that DIT support was not as focussed on specific industries. This view was typically held by LBs that had not accessed DIT support at this stage, so was based on assumptions rather than experience.

Preferences for non-DIT support at the stage of development and preparation were also linked to the issues of confidentiality discussed above. LBs that had concerns around the commercial sensitivity of information (these were typically LBs in commercial sectors; public service sector LBs did not express such concerns) preferred to share such information with a service that they had contracted to support them, with confidentiality clauses incorporated into their contract.

Furthermore, a privately-contracted service was perceived to have greater allegiance to the LB that they were paid to support, whereas a government service had allegiance to a broad range of UK businesses. As they travelled further along the preparation stage of the export journey, LBs in commercial sectors found privately-contracted support services to be increasingly able to provide support that they did not consider DIT was as well-placed to offer. Privately-contracted services were considered to be uniquely placed to provide honest, frank information about informal market access barriers to protect the best interests of a LB. Although these LBs valued initial support from DIT with accessing key contacts, some preferred to use private sector services for the more personalised support they needed as they were building in-depth relationships and understanding of the export market. They valued support with this from someone who could accompany them to meetings and help the LB to break down the informal, cultural barriers.

“If someone says don't do business in China they'll rip you off, I've lived there for 10 years, I've done 4 major partnerships, I'm a fluent mandarin speaker, and they will normally try to rip you off - that is invaluable... genuine input of a cross-cultural nature, someone watching your back, keeping an eye out for you...the most valuable support is from someone who can go to dinner with you and explain jokes in both languages, so that the playing field is levelled as much as possible. Personal relationships when doing business is very important in Chinese culture”

(LB, medium, exporter of goods, manufacturing)

There was a perception that a government service was less able to provide such personalised support with nurturing key relationships. DIT was expected, in the interests of impartiality, to be unable to sit so clearly in the corner of one particular LB over another. In contrast however, LBs in public service sectors found that DIT in fact were able to offer them this exclusivity of support, mostly because they had no competitors in the UK market. Such public service sector LBs found this highly tailored and high level of DIT support to be incredibly valuable.

In addition, LBs in niche sectors considered private sector services that specialised in their sector could provide targeted, tailored support. In contrast, DIT's expertise had a broader, industry-wide focus and so was perceived to be less relevant.

In terms of support gaps, commercial sector exporters wanted more clarity on DIT's position on confidentiality and impartiality (discussed further in chapter 6), and its ability to provide personalised support, to assess the value of DIT support services at the preparation stage. As mentioned, there was also the desire for the UK to have greater in-country presence in hard to access markets to support LBs at this stage.

## 5.5 Winning business

The unique asset of DIT support at the stage of winning business was its **government-to-government relationships**, which LBs could leverage to give them a competitive advantage to win a contract. LBs that were in public service sectors, and/or exporting to hard to access markets, were most likely to have used and valued DIT support at this stage. For public service sector LBs, this was because their business was so closely intertwined with and dependent on political relationships between governments. They found such support essential to winning business. DIT staff also saw this as a role that they were uniquely positioned to play.

### Case Study

A large UK business in the defence sector was seeking to export to Poland for the first time. They needed to be able to communicate directly with high-level figures in both the UK and Polish governments in order to influence and negotiate to win the business. DIT were instrumental in involving top government players in messaging and shaping perceptions of the LB in the export market.

*We can ring DIT and ask for an ambassador to be briefed on our work...if we need the Prime Minister to write to the Polish Prime Minister and say 'we'd love to offer you some training...if that helps get this contract over the line'...our CEO can pick up the phone, talk to the Export Minister and they will know each other as they have had a prior engagement. It makes things so much easier.*  
(LB, large, goods exporter, defence)

DIT was felt to be uniquely placed to help LBs win bids in hard to access markets with there being a desire among LBs for more support from DIT in this area. This was also the case among commercial exporters that generally had limited need for DIT support at this stage (as discussed in chapter 4).

Support from **DIT Posts** was seen by LBs as particularly valuable at this stage. Through their close links to key contacts in the overseas market, DIT Posts could lobby on the LB's behalf and shape perceptions of the LB in the overseas market. In addition, they provided feedback to the LB on what customers in the overseas market wanted to see in the bid and how to enhance their competitiveness. This was all support that was seen as a distinctive DIT asset. As discussed, DIT also provided such support at the previous stage of development and preparation, which fed in to and was crucial for this stage of winning business.

However, it was acknowledged by both LBs and DIT staff that a LB was never guaranteed to win a contract through DIT's support. DIT staff highlighted that it was important to manage LB expectations around the support DIT can provide at this stage.

## 5.6 Fulfil and deliver

At this stage of the export journey, DIT support was most valued by LBs when they needed to leverage DIT's **government-to-government relationships** to resolve tactical issues quickly. Examples included border documentation, and for LBs in public service sectors, payment processes.

For freight forwarding, distribution and logistical issues, LBs saw their existing partners as appropriately positioned to provide support as part of the service they were contracted to provide. For example, freight forwarding partners were experienced with resolving issues with customs documentation.

"We already have contracts with good freight companies like DHL, and they know what they're doing. Although we do experience problems with things going wrong, like when product gets held up at a port because paperwork has gone missing, this is everyday stuff to them and they will help to resolve that"

(LB, small, goods exporter, manufacturing)

The advantage of these sources of support included that the LB's existing partners already understood their business and specific needs based on the product they were exporting. Agents based in the export market were also contracted by LBs to advise them on logistical issues in country. These included customs documentation requirements, and transport and accommodation for staff who needed to travel to the country. It was only if and when problems required intervention from high level players, such as government departments and authorities, that DIT support was seen as playing a unique role in resolving such issues.

DIT's **internal connections with other UK government departments** put it in a unique position to support LBs with customs and border issues. DIT was seen as a swift access point to relevant government departments and authorities, that could resolve the issue. For example, DIT connected one LB with HMRC for issues around customs documentation. Another food and drink exporter LB was connected with the Department for Environment, Food and Rural Affairs (Defra) to resolve issues around certification. Experiences of this type of support varied. While some LBs found that DIT connected them to internal government contacts quickly who resolved their issues in a timely manner, other LBs found that DIT were less responsive and the contacts they were signposted to were not as helpful.

LBs in public sector services, particularly those exporting to hard to access markets, had found DIT support to be valuable in ensuring that they received payment. Because these public service sector LBs had close ties to the government, DIT was seen as uniquely placed to provide such support. In contrast, private sector services would not have these high-level connections.

"The utility that we deal with there are relying on the government to pay them so that they can pay us, so we rely on DIT to help us with trying to get paid, to work with the Ukraine government to try and make sure the utility gets paid so that they can pay their suppliers"

(LB, medium, exporter of goods and service, utilities)

## 5.7 Summary of DIT export support opportunities by LB type

In summary, the following tables visualise the areas where DIT is better placed than other providers to provide support to help LBs reach their export potential. Given the complex factors influencing support needs as identified in Chapter 4, the table pinpoints opportunities depending on the type of LB and export journey stage. It also highlights:

- Where DIT is uniquely placed and **currently strongest** at providing support (teal boxes)
- Where DIT is uniquely placed to provide **more support** in the future (pink boxes)

**Table 5.7.1 Summary of opportunities for DIT to target export support for mature and less mature LB exporters**

Stage of export journey	Mature LB exporters					
	Manufacturing sector <sup>10</sup>	Exporter of goods	Exporter to underserved markets	Exporter to hard to access markets	Public service sector	Commercial sector
Trigger						
Discovery						
Development and preparation						
Winning business						
Fulfil and deliver						

<sup>10</sup> Note: the manufacturing sector is included to highlight the difference in support needs and opportunities for mature versus less mature exporters. There was not a specific DIT support need among mature LBs in the manufacturing sector unless this overlapped with other factors, such as manufacturing in the public service sector or exporting to an underserved or hard to access market.

Stage of export journey	Less mature LB exporters					
	Manufacturing sector	Exporter of goods	Exporter to underserved markets	Exporter to hard to access markets	Public service sector	Commercial sector
Trigger						
Discovery						
Development and preparation						
Winning business						
Fulfil and deliver						

## 6 Awareness and delivery of DIT export support

This chapter explores the link between awareness and use of Department for International Trade (DIT) services. It also summarises Large Businesses (LBs) overall views on the delivery of DIT support and the main areas for improvements that both LBs and DIT staff would like to see from a future support offer, including a summary of overall best practice.

### 6.1 Key Findings

One of the main factors that influenced LBs use of DIT support was their level of awareness of DIT services. Lower levels of awareness were a key barrier to LBs seeking out help from DIT. Those with a single point of contact had greater awareness and access to support but still wanted clarity on the full range of services available. LBs generally wanted more information on how businesses qualify for support and criterion used.

LBs were more positive about their experience of using DIT support if they had a single point of contact with whom they had built a rapport and who was easily contactable. They valued having regular conversations with their main contact and feeling that they understood their sector and market needs and had their best interests in mind. This was considered necessary for DIT to deliver the efficient and tailored support LBs required. When this level of support was seen to be inconsistent and/or variable, LBs tended to be less positive and satisfied with the support received.

Despite the range in levels of awareness, current use of DIT support and views on delivery, there was a genuine desire to receive support from DIT. LBs across the board were keen to suggest areas for improvement that would influence their use of DIT support in future. The following were the main areas for improvement, as suggested by both DIT staff and LBs:

- **Variation in quality and consistency of support** - LBs needed the quality of support to be consistent for DIT to effectively meet their needs. This includes proactivity, frequency of contact, knowledge of the business, sector and or market and network to broker connections.
- **Fragmentation** - LBs wanted a more streamlined service across government departments and external partners, to minimise repetitions and ensure the timely delivery of support.
- **Distilling information** - LBs needed further distilling of information, to reduce time spent navigating complex information that may or may not be relevant to their business.
- **Confidentiality and impartiality** - Some LBs needed assurances that support received was confidential and that DIT could focused on the LBs best interests, as they recognised this might not always be possible.
- **Promotion of DIT export services** - Linked back to the issue of awareness, LBs wanted to see greater promotion of DIT services to know when and how to use DIT support.

### 6.2 Awareness and use of DIT services

As discussed in Chapter 4, LBs accessed support from DIT at various stages throughout their journey. However, regardless of the stage of their export journey, there was a consistent message raised that awareness and use of DIT's support was directly linked and having a single point of contact was necessary to navigate and access the support available.

Awareness and use of DIT services ranged from LBs with no awareness and use, to those with slightly more awareness and occasional use, to those with a single point of contact and greater awareness of and access to support available. Those LBs with lower awareness found it more difficult to access support needed and find out the services available. These LBs ranged in business size and export maturity but were more likely to be those in commercial sectors. According to LBs and DIT staff, low levels of awareness and use of DIT services did not necessarily reflect the businesses need or want for support during critical stages in the process, as discussed in Chapters 4 and 5. However, overall, these businesses were more likely to view DIT support as being too generalist to meet their specific, specialist needs and found it harder to envisage the potential value of using DIT services. They were also more likely to question whether their business would qualify for support, with this being the case among both larger and smaller LBs.

It was not always clear whether LBs interviewed had an account manager as they were uncertain themselves. However, it was clear that those with the most awareness and use of DIT services tended to be those with a single point of contact, with whom they had regular contact and had formed a relationship with overtime. On the whole, LBs with this level of contact were more aware of DIT support and felt they received help in navigating and connecting to export support, whether from DIT, other government departments or private consultancies. However, some of these businesses still felt their awareness was patchy and that they would benefit from greater clarity of the full range of DIT services available. There was also uncertainty around how long these businesses would have access to DIT support given the length of time required to achieve their export goals.

More generally, LBs wanted greater clarity on DIT's overall role in helping businesses with export activities and its position relative to other government departments. They also wanted more information on the criteria used to determine access to account management services and/or more significant support service, such as invitations to go on trade mission.

"It would be helpful to know what's coming up, what's new. At the moment, the only time we get that is when we have those 6 monthly conversations. Next year, there could be a lot of changes and it helps to know what [DIT] is envisioning and what they might be able to offer. Are they going to be pushing on a certain initiative. For example, on digital solutions or skills or apprentices, then we can say 'well that's a resource we can align to'."

(LB, small, exporter of products, health sector)

### 6.3 Views on the delivery of DIT support

LBs that reported having a single point of contact within DIT, with whom they had formed a rapport over time, were generally more positive about their experience of using DIT support services, in comparison to those with less frequent contact. Specifically, they felt most positive when their contact within DIT was easily accessible, when they had frequent contact with them and when they felt they had specialist knowledge in the market of interest and/or the LB's sector. This was paramount to delivering the efficient and tailored support LBs required to help address the specific barriers they faced in fulfilling their export and growth strategy, as discussed in chapter 4.

The following were the key elements that LBs valued most from having access to DIT support:

- First and foremost, LBs that had regular and consistent contact, that is, every 6 months and more frequently as and when queries or opportunities arose, found this



level of support most beneficial. LBs valued being able to pick up the phone and speak to someone who they knew and that they had a good relationship with.

- Alongside having regular and consistent contact with DIT, they valued having one point of contact that understands their business needs and has the specialist knowledge to answer their questions, in the moment they arise. This was typically among those LBs with a dedicated account manager and/or LBs with more frequent engagement with DIT support.

“A 'go to' person that we can have a regular conversation with who is knowledgeable about our company and the markets we work in and they pool together that knowledge.”

(LB, large, exporter of goods and services, energy sector)

- When their main point of contact was unable to answer questions directly, LBs valued having a contact that was able to quickly signpost and help them to access other internal and external support services. Both LBs and DIT staff emphasised that understanding the businesses needs and sector is a critical first step to adequately answering queries or signposting to the right people, team and service.

Examples of where DIT had played a critical role of signposting and brokering connections included introductions to trusted agents and stakeholders in markets of interests required to win contracts, support to understand and overcome regulatory barriers, and facilitating access to funding. Moreover, DIT's network of contacts was felt to be expansive in terms of regions covered, enabling LBs to seek support in accessing more obscure and culturally challenging markets. LBs, in particular those with greater awareness of DIT services, viewed DIT as being able to offer unique support during the export journey and open doors that other support services could not (see chapter 5).

“Extremely helpful. [DIT contact] is there to make sure we do everything properly and adhere to the rules, but he will help wherever he can. If it's something that I can't resolve myself, we've got that kind of relationship where I can say 'this didn't work, can you point me in the right direction where to go now'.”

(LB, large, exporter of goods, engineering)

“Relationship with DIT would be to open doors or get access to information that we are not able to as a commercial organisation. DIT was a source into the multiple different reference points. I could go to [named DIT contact] and say, 'look we've got this query, who's the best person to talk to'. Visas was a big challenge for us and with DIT support we very quickly could get connected to the right people.”

(LB, medium, products, manufacturing, health sector)

While LBs were more positive towards the delivery of DIT services when they received regular contact as outlined, both staff and LBs highlighted that the quality of support provided by DIT varied, with several key areas for improvement outlined. Internal fragmentation, including a lack of specialist knowledge was a key barrier to providing efficient and tailored support, while a lack of clarity around confidentiality and services available were broader barriers to seeking and using DIT support.

### 6.3.1 Areas for improvement

#### Variation in quality and consistency of support

DIT staff reported that consistency in the quality of DIT services and account managers' expertise is critical for effectively supporting LBs, however they reported that this was not always provided. Both staff and LBs indicated variation in their proactivity in helping LBs, frequency of contact, knowledge of the business, sector and or market and network to broker connections.

In terms of variation in the quality of support, some LBs reported that although their account manager and/or main point of contact was helpful and able to point them to the right contacts, they would prefer to have a point of contact that is more knowledgeable about their needs, sector and market so as not to go through so many people to get the right information. This desire for their main contact to directly provide the answers to their questions, appeared to stem from LBs frustrations around inefficient signposting and wanting to avoid repetition and unnecessary referrals, which was seen to diminish the quality of support. The perceived build-up of unresolved issues was another contributing factor in respect to support quality. LBs reported that they would often ask questions and flag issues to their DIT contact who could not provide an answer or said they would look into it but did not send an update. This was not the case across the board, but for those LBs that had this experience, they were more negative about the quality of support, as it was too variable and inconsistent.

"If I'm going to have a conversation with somebody, I need an outcome. I don't have time to bounce around Whitehall."

(LB, large, exporter of goods, food and drink sector)

"I don't really think [DIT contact] understands the nature of the business. It's only at a high level and they get excited when they want to represent us, but in terms of the nitty gritty, what we do, without that level of understanding I think it's hard to help with some of the issues that we have."

(LB, large, exporter of goods, engineering)

Additionally, whilst many appreciated that it would not be feasible for their main point of contact to answer all of their questions immediately, they felt there were certain topics that were applicable to most businesses, for which they should be more informed. At the time of research, the ability to answer questions in relation to EU Exit regulations were the most commonly provided examples.

Among LBs with limited awareness and engagement with DIT support, the perception of DIT staff as not having the specialist knowledge required was a barrier to some LBs using DIT services. They envisaged that DIT would be too generalist to support them with sector specific information, challenges and/or contacts. This was particularly the case among businesses that felt they had a niche service or product.

A high turnover of DIT staff was felt to be a contributing factor to LBs experiences of inconsistent support from DIT, with large businesses and DIT staff raising this issue. Some reported previously having a good relationship with their DIT contact but they had not received support since their contact had changed. These businesses either no longer knew who to contact or highlighted the difficulty of rebuilding the relationship, with some noting there had not been a handover process. Others voiced concern about the longevity of the

relationship with their key contact within DIT and whether they would be able to continue working with the same point of contact to achieve their export goals. DIT staff agreed that they could not ensure longevity of the relationship and noted that some businesses had several different contacts within DIT. This was an area of concern as DIT staff explained that continuity of the relationship and having one main point of contact was important for building rapport, understanding the business's needs and effectively delivering support.

A few businesses mentioned that the quality of the external contacts that DIT signposted them to for support also varied. While some provided high quality, specialised information, advice and guidance, the support from other partners was found to not go far enough, with the perception that these partners did not have the time or incentive to provide sufficient help. For example, a market analysis report provided to a small LB by one DIT partner provided an understanding of demand for the LB product in the export market but did not identify potential customers or other key contacts, limiting its perceived value. Another DIT partner, a website developer, provided the same small LB with a twenty-minute telephone call to provide advice. This was not considered by the LB to be enough support to achieve significant progress. This variation in quality suggests a need for DIT to improve its matching and handover process to ensure the support it signposts LBs to meets their needs.

Another frustration among LBs was that when they were signposted to external contacts of DIT, the LB's query was not always followed up or resolved satisfactorily. LBs wanted to be directed to the right contact who provided a satisfactory response in a timely manner, and this was not always LB's experience. There was a sense that, once signposted to a DIT contact, there was a lack of ownership of the issue by DIT, so that if the LB did not chase it up, they might never receive a response.

Overall, DIT staff felt that variability in the quality of support and inconsistencies in access reduced LB's trust and reliance on DIT services and made it difficult to demonstrate the value of DIT support.

"My role is understanding that business and what they're trying to achieve, and then having the ability to help them on their way. But, finding the right person to refer them to can be difficult, a lot often depends on historical relationships or finding a good contact.

(DIT staff)

## Fragmentation

With LBs being time poor and support needs often being time sensitive, the speed of accessing support was highly important. The perceived fragmentation of DIT's internal and external network was commonly mentioned as a barrier to DIT efficiently connecting LBs to the right support.

Most prominently, LBs that had accessed DIT services reported a sense of fragmentation between government departments and across teams within DIT. LBs explained that after being signposted to another department they experienced having to repeat their situation multiple times to different people, in order to get the help they needed. They therefore wanted better coordination between departments and across teams to enable them to be immediately connected to the right people/team/service, ideally with the issue already having been conveyed by their key contact.

“These government bodies, DIT, Export Control Joint Unit, HMRC, Border Force, they don't all talk to each other, but you think you are part of the UK government and you're there to support and help businesses do business, yet you don't all speak to each other. If I give you a reference number why can't you just punch it in and it comes up and you can see what I'm talking about.”

(LB, large, exporter of goods, engineering)

DIT staff's views on service improvements echoed that of the LBs. They also felt that internal communication could be improved, and services could be better coordinated with other government departments. For example, improving communication with BEIS to understand their activities with LBs, that directly or indirectly facilitate the growth of their export potential. DIT staff felt that their ability to connect LB's efficiently to the right people often relied on historical knowledge and connections, and without this it was often difficult for them to know who the right people/team/service would be. This suggests a need for a **central database** that DIT staff could access to enable efficient signposting. Additionally, DIT staff commented that they would appreciate having the most up-to-date information on DIT's strategic activities, to help identify and convey opportunities to the LBs they support.

Notably, large businesses were often unclear on whether those they were connected to for support were from DIT, other government departments or external agencies. However, both LBs and DIT staff suggested that coordination of services could extend further beyond government departments, to encompass other key stakeholders and supporters of LBs, for example banks and industry bodies. Suggestions included looking to see where DIT services could fit in with private sector support, for example, setting up links to commercial banks that fund projects and industry bodies that provide industry databases that can help businesses identify export opportunities.

### **Distilling information**

While LBs appreciated being signposted to relevant information, they often felt that the online documents were overly detailed and unwieldy to use in a timely way. LBs ideally wanted further distilling of information through more simplified guides, checklists and/or executive summaries that highlight important points for trade deals. Alternatively, they would like to be directed straight to the relevant information within a longer document.

“You just want a simple guide to understand the overview of the process. You don't know the steps and roughly how many weeks to get it done. It would be great to see simplified guides and checklists. Simple flowcharts that are easy to follow”

(LB, medium, exporter of products, manufacturing, energy and automotive sectors)

### **Confidentiality and impartiality**

Some LBs were concerned about confidentiality when sharing commercially sensitive information, particularly when DIT was likely to be supporting a competitor. These tended to be commercial exporters, as discussed in chapter 5.

“It's still an open question whether UK government employees can participate in confidential company discussions and how much of that stays confidential and how much ends up getting shared. That's clearly a concern.”

(LB, large, exporter of products, health sector)

Additionally, they felt that because DIT is a representative of UK government they would ultimately have to prioritise the UK public's interests over the interests of the business. This was a driver of LBs seeking internal expertise or other, non-government, support services (for example, paid for agents, external financial advisors, and legal advisors) as there was a perception that these services would be more likely to have their best interests in mind because they are contracted to the business.

Overall, LBs wanted more clarity on DIT's position in relation to commercially sensitive information and where DIT's priorities lie. In particular, they wanted to understand what types of businesses or export opportunities could receive government-to-government support to help LBs to win new contracts. More clarity was especially felt to be necessary in relation to this stage of the export journey, given that DIT support is likely to increase the competitive advantage of competing companies.

However, not all LBs felt this way. LBs that had more regular contact and felt that they had a trusting relationship with DIT were less concerned around confidentiality and/or DIT's priorities. In addition to an overall feeling that they had a trusting and secure relationship with DIT, they were also not concerned as their main competitors were not UK based, therefore they did not see a conflict of interest when it came to support from DIT. These were more likely to be public service exporters.

### **Promotion of DIT export services**

Both DIT staff and LBs felt that low awareness was a key barrier to engaging with DIT's export support. The need to improve awareness and the promotion of DIT's export services was therefore commonly reported, alongside the criterion used to determine which services large businesses can have access to. There was generally felt to be a need for DIT to be more visible and communicate where it can add value during the export journey in order to reach a wider range of businesses. This would especially benefit those with low awareness and could help more mature exporters that do not currently seek support, understand how DIT can help their business reach its potential (for example, multinational companies in the commercial sector).

Even among those with more regular contact with DIT, LBs wanted to see more publicity and marketing of DIT services and for DIT to be more forthcoming on their roadmap and strategic plans over the next 3 to 5 years. LBs saw this as an opportunity to understand the UK's position and to align their own strategic plans accordingly.

"To be more visible, would be a great thing. To be more proactive in this dialogue. If we have a question that we can't get answered by someone else, then we go to DIT, but only if they broadcast what they offer, then we would go to them rather than paying for an expensive consultant."

(LB, medium, exporter of goods and services)

Across the board, LBs were interested in seeing DIT position itself as a well-known key player in the exporting industry within the UK. This view was strongest among those LBs with less frequent contact with DIT. These businesses wanted DIT to evolve from being a form of support that can be accessed if you know where to look, to a source of support that is established, well-known and sought-after among exporters.

## 6.4 Views on best practice

Several key themes were apparent throughout both DIT staff and LB interviews, in terms of how best to support LBs in exporting. These best practice themes are listed below:

- One point of contact that is easily accessible
- Understanding of LBs interests and needs
- Market and sector knowledge
- Proactively flags relevant information
- Base knowledge of pertinent/topical issues
- Signposting when necessary
  - Connects them immediately to the right person with specialist knowledge
  - Signposts to distilled sources of information
  - Follows-up to ensure the solution is satisfactory

LBs and DIT staff felt that to be able to support a business to export effectively and to grow their export potential, they need regular contact with the support service. Ideally, a single point of contact that organises quarterly check-ins, in addition to being available for ad hoc queries as they arise. LBs and DIT staff were of the view that consistent contact, in a formal and informal way, allowed LBs to feel they could easily pick up the phone to resolve an issue or find a way forward. Moreover, this consistent level of contact was felt to be key to DIT staff thoroughly understanding the businesses' current situation and needs, in order to proactively flag relevant information and provide support during time-sensitive crisis moments.

LBs also stressed the importance of having a single point of contact with both market and sector specific knowledge. This was viewed as a key feature of a good quality service in which they could trust the expertise. They also expected their main point of contact to have a base level of knowledge on prominent issues (such as EU Exit) to negate the need to signpost them elsewhere.

That said, LBs did not expect a single contact to cater for all their needs. They considered it important for DIT to acknowledge where it may not be best placed to provide support. However, in these instances their contact was expected to have sufficient understanding of their needs and other services available in to refer them and to facilitate a thorough and timely handover to people/team/service that are best placed to help. This included their main contact maintaining ownership of the issue by following-up and ensuring the LB is satisfied with the solution.

When signposting to documents, best practice would involve DIT referring LBs to easy to digest, distilled information and highlighting the relevant section of the document.

## 7 Future support offer

This chapter reports on what Large Businesses (LBs) want from a future Department for International Trade (DIT) export support offer to address their shorter and longer-term export needs. This includes where they felt DIT is uniquely placed to provide support, where DIT can provide more support and where there is opportunity to streamline DIT services and signpost to partners. It also reports on how they would ideally want to access this support offer.

### 7.1 Key findings

In the short to medium term, LBs reported that they most need support to overcome ongoing issues caused by EU Exit and COVID-19. LBs therefore wanted DIT to support them to maintain pre-EU Exit and COVID-19 levels of export activity by helping them navigate new customs requirements, overcome perceived or anticipated post EU Exit regulatory barriers, remain competitive and attractive to EU and global customers and win new contracts. Most LBs wanted to participate in the dialogue around future FTAs and ideally influence which countries the government prioritises.

In the longer term, to reach their export potential, LBs primarily need assistance to access new markets and win business. DIT was viewed as uniquely placed to support LBs by leveraging its government-to-government (G2G) relationships to arrange trade missions, overcome cultural and regulatory market access barriers and provide intelligence and lobbying to help LBs win contracts. Moreover, DIT was felt to be uniquely placed to support LBs to export to underserved and hard to access markets to facilitate growth; there was significant opportunity for DIT to provide more help in growing exports to these markets.

Feedback from LBs suggests there is also opportunity for DIT to play a greater role in triggering them to access new markets. More mature LBs especially wanted DIT to establish stronger G2G relationships in hard to access markets, that offered the potential for business growth (e.g. China, Russia, Japan), where relations are less established to improve their ability to access them. Smaller manufacturing LBs also wanted to be notified of bid and funding opportunities.

More broadly, LBs want DIT to increase its communication of its export services and where it has unique capabilities to provide support. In particular there is opportunity for DIT to demonstrate to commercial businesses where it can add value over private sector consultancies.

In terms of streamlining future support, there is the most overlap between DIT and private companies at the discovery stage. While less mature exporters particularly valued support at this stage, DIT can support on where it has unique expertise (trade missions, hard to access and underserved markets) and otherwise signpost to external partners. LBs also wanted DIT to improve its coordination with other government departments to provide a more streamlined, joined-up approach to supporting LBs.

In terms of accessing support, LBs would ideally want an Account Manager; a single point of contact providing a tailored and dedicated DIT support service. Some stated that if this option was not available, they would want to call someone on a helpline. Most felt a digital platform would not be helpful to address their complex or specific needs. Feedback suggests there

may be opportunity for DIT to provide paid-for services, however, further proposition development and research would be needed for LBs to accurately determine their interest.

## 7.2 Addressing future large business support needs

Looking to the future, in the short to medium term, large businesses reported they most needed support in overcoming the impact of EU Exit and COVID-19. As discussed in Chapter 3, there was the common perception that EU Exit, in particular, had negatively impacted the competitiveness of UK exporters due to increased delivery costs, transportation delays and perceived or anticipated

“Information and having a resource for resolving issues related to Brexit.”

(LB, small, exporter of goods, automotive and aerospace sector)

differences in UK and EU regulations. Many said they would appreciate more support from DIT in navigating the new requirements to prevent and resolve border issues and felt the government should be well placed to provide this. They also highlighted the need to address the underlying source of issues, for example, by simplifying tariffs and customs requirements, ensuring regulatory alignment across markets and resolving the issue of businesses and countries having different interpretations of customs and certification requirements.

Among those who primarily exported to EU markets, there was generally the desire for UK government to display greater willingness to trade with the EU. This stemmed from the fear that current tensions between the UK and the EU, as a result of EU exit, may lead to the EU reducing the extent to which it trades with UK businesses.

“It would be good if the UK government gave positive vibes about wanting to work with Europeans.”

(LB, medium, exporter of goods, automotive sector)

However, the greatest need for future support came from those whose export strategies had been fundamentally altered by EU Exit, with the government being seen as having a responsibility to help these businesses. For example, one business called for DIT to lobby for UK and EU regulations to become aligned once again in order for their clinical testing service to be recognised by EU markets<sup>11</sup>. Another business, which was in the process of evolving from exporting a physical product to digital solutions, wanted support to enable this transition, for example, by helping them to identify new customers.

“We are thinking about our strategy [post EU exit] and understanding what our government has got planned to support us in industry will be a big, big help.”

(LB, large, exporter of goods, food and drink sector)

Given the opportunity, the majority of LBs wished to participate in the dialogue around future Free Trade Agreements (FTA) and ideally influence which countries the government prioritises. LBs viewed this as a lobbying opportunity, with some anticipating that this could help them to access their next target export market, with Japan and Germany being named as examples. Some DIT staff were equally positive about offering this opportunity as they

<sup>11</sup> As noted previously, whilst understood by the LB to be a misalignment of regulations, the issue may be due to a lack of mutual recognition of certification requirements following EU Exit.



envisaged that it may trigger interest in exporting to new markets, particularly due to difficulties exporting to the EU. However, other DIT staff cautioned that if large businesses were able to participate in FTA discussions, Account Managers would need to manage their expectations and be careful in how they positioned the opportunity. They highlighted that appealing growth markets often have complex market access challenges that are a barrier to UK businesses exporting to these countries (for example, Japan's preferences for home-grown suppliers versus those from overseas). For these countries, an FTA agreement alone was not thought to be enough to overcome market access difficulties.

In relation to COVID-19, emphasis was placed on DIT supporting businesses to progress their export strategies once restrictions lifted and helping them to win new contracts. Some working in industries severely impacted by the pandemic said their priority was to adapt their business strategy and identify new areas for growth and hoped DIT could support their recovery.

Beyond support needs stemming from EU Exit and COVID-19, to reach their export potential in the longer-term, LBs reported that they primarily needed assistance in gaining access to new markets and winning business. With this objective in mind, the following sections outline where DIT was perceived to be uniquely placed to provide support, as well as opportunities identified for DIT to provide more support and where partners may be best placed to deliver services. These views build on current views and experiences as discussed in prior chapters and are reflected in table 5.7.1 that summarises the areas where DIT is best placed to provide support to different types of LBs.

### **7.2.1 Where DIT is uniquely placed to provide support**

LBs and DIT staff viewed DIT's core competitive advantage as its ability to establish and leverage government-to-government relationships to help large businesses access new markets and win new contracts. Specifically, DIT was felt to be best placed to:

- Organise trade missions during the discovery stage to introduce LBs to key players within the markets and provide insight into formal and informal market access barriers
- Help LBs overcome regulatory barriers at the planning and development and delivery stage of the export journey
- Lobby within the embassy and provide high level intelligence on how LBs can position and refine their bids to help LBs win new contract

In relation to helping businesses to win work, some LBs felt there was opportunity for DIT to champion businesses across government departments to increase support for UK bids and increase their chance of success.

LBs and staff viewed DIT as being uniquely placed to support LBs to access certain markets to facilitate business growth:

- Hard to access markets - DIT was viewed as being uniquely placed to address formal and informal market access barrier in markets with cultural biases and regulations that negatively impact UK exporters. LBs therefore wanted to see more lobbying from DIT, across government departments and embassies in other countries to challenge current laws and support LBs in exporting to these countries.
- Underserved markets – given its expansive global network DIT was considered uniquely able to help LBs understand and established connections within these markets, which are less likely to be serviced by private consultancies.

Presently, DIT appears to be particularly well placed to support public service sector businesses, due to its political connections, and goods exporters, as these typically have greater regulatory barriers to navigate.

“If it's government-led, if there's ministers on it, it's very very powerful, the endorsement is far better than a private individual doing it, making people think about Britain.”

(LB, small, exporter of goods, manufacturing)

### 7.2.2 Where there is opportunity for DIT to provide more support

Overall, it was felt there was the biggest need for DIT to increase its support in helping LBs export to hard to access and underserved markets.

Linked to this, feedback from LBs suggests there is opportunity for DIT to play a greater role in triggering LBs to access new markets. In particular, the perceived difficulty of exporting to markets, such as Russia and China, was identified as a key barrier to the growth of LBs, particularly those that are more mature. These LBs therefore wanted DIT to develop stable, long-term government-to-government relationships in key growth markets where the relationship was currently seen as less established. LBs envisaged that stronger G2G relationships would help to overcome current regulatory and cultural barriers, improving their ability to access them.

“There are countries which we have looked into where clearly trade is going to be a lot harder. Or where corruption is higher, where you've got issues of payments and getting credit payments, those are intimidating places to go because you think even if we're successful we might not get paid. That's where the help is needed, but that's never going to be company-specific is it, it's got to be a drive to get British business into a certain sector or a certain country.”

(LB, small, exporter of goods, automotive sector)

A few LBs also wanted more government intelligence from DIT to inform their export ambitions and identify opportunities to drive growth. Examples mentioned included:

- Sharing DIT's long-term strategy and priorities, such as key markets and sectors, in order for LBs to take these into consideration when developing their own export goals.
- Information on which hard to access export markets that offer LB growth opportunities have a more favourable view of trading with the UK and therefore might be easier to access.
- Bid opportunities
- Funding opportunities

These tended to be smaller LBs in the manufacturing sector, with these businesses especially welcoming funding opportunities to expand their export capacity.

More broadly, LBs wanted DIT to increase awareness and communication of its export services and where it has unique capabilities to provide support (see 6.3.1.). In particular there appears to be opportunity among commercial businesses to demonstrate where DIT can add value over private sector consultancies.

### 7.2.3 Where partnerships are better placed to provide support

LBs that were less mature particularly valued DIT support during the discovery stage of the export journey. However, this is also the stage where there seems to be the most overlap with private support services that are available. Services provided directly by DIT at this stage could therefore focus on where it is uniquely placed to offer support, namely, trade missions and supporting LBs to understand underserved and hard to access markets. Beyond these areas, there is opportunity to signpost LBs to external partners. However, findings suggest (see Chapter 5) that there is opportunity to improve the effectiveness of signposting activity and to ensure that even when brokering connections, DIT continues to follow-up with the LB and 'own' the overall relationship and support service provided.

Both DIT staff and LBs also felt there was opportunity for DIT to improve its coordination and communication with other government departments to provide a more joined-up approach to supporting LBs. This was imagined to have several benefits:

- Create a more holistic support strategy for the LB that leverages the strengths of different government departments to deliver greater value
- Ensure LBs are sign-posted by DIT to the correct internal contact, the first time, who understands their business and can provide the required support
- Identify where services overlap and can be streamlined

## 7.3 Delivery of DIT support to LBs

In discussions with LBs and DIT staff about the future support they would like DIT to provide, they were forthcoming about what the 'ideal' service might look like, while also highlighting what they felt was realistic. The following section therefore outlines how LBs would ideally want to access DIT support, as well as views on using a digital platform and paying for DIT services.

### 7.3.1 Views on accessing support via an Account Manager (ideal scenario)

According to LBs and DIT staff, LBs would like to have a tailored and dedicated service of support from DIT which reflects the best practice themes outlined in Chapter 6. Ideally, they would like to have access to an Account Manager that can be their single point of contact who is:

- knowledgeable about their sector and export markets (desired and current),
- who understands and prioritises their business needs,
- who is proactive in flagging relevant information and updates linked to informal and formal market access barriers, and
- who is easily contactable, not only for regular check ins but on an ad hoc basis to help resolve issues as they arise.

LBs and DIT staff both acknowledged that having sector knowledge and market knowledge would not always be realistic for a DIT Account Manager. In this case, the key contact should be able to identify and signpost to people/teams/services that do have the knowledge needed to help. As discussed previously, for signposting to be most effective and streamlined, DIT Account Managers would have a clear assessment of the LBs needs as well as a good understanding of the range of services that they can refer them to. Further, they need to

ensure a quick and effective introduction and that this is effectively followed-up by the relevant colleague/partner.

“If [Account Manager] had more knowledge and could give me a bit more information it would be ideal, instead of just pointing me to different people, they could give me the answer there and then. When it becomes technical, I'd like to be able to have one contact who could tell me what to do rather than have to go to 3 different people, to HMRC, and DIT, and the freight forwarder and ten other people just to get an answer.”

(LB, small, exporter of goods, landscape services)

Some LBs stated that if they did not have an Account Manager, they would like to be able to call someone on a helpline. In the first instance they would prefer to have an account manager but understand this might not be possible for all businesses, depending on size and influence.

### 7.3.2 Views on digital platform and other alternatives

All LBs, particularly larger ones, would prefer to have a relationship with an individual over accessing a digital platform. They felt that a digital platform would not provide a timely and effective response to their queries which were often very complex or specific. The account manager would have the knowledge, or access to the support, required to quickly and efficiently resolve their issue. It would take them much longer to go to a digital 'self serve' platform to access the information and this was often not feasible due to their heavy workloads and schedules. These LBs were less likely to proactively go to a digital platform during busy times, especially if they can speak to a person over the phone. Overall, larger LBs could not see any benefit in having access to a digital platform and felt that an account manager was the best way them to get the level of support they need from DIT.

DIT staff views on a digital platform service were similar to those of larger LBs. They had doubts that a digital platform would be able to deliver on LB export needs as their queries are often very specific. They noted that these businesses are time-poor and so prefer to be connected to the right people that can help them rather than sifting through information online. Furthermore, they felt that LBs highly valued having a relationship with an individual at DIT and that this could not be replicated or replaced by a digital platform service.

A few of the smaller and less experienced LBs, felt that a digital platform might be helpful. They were more open to the idea of having a digital platform service to ask a question and receive a tailored answer, similarly to a chat/forum function. However, they questioned the nature of the information that could be provided and how personalised this support might be. For example, could it be used to get specific information such as commodity codes or as a point for gathering all information that they felt was applicable for businesses looking to export.

Overall, none of the LBs, regardless of their size, felt that a digital service could replace the need for having a relationship with DIT staff. This service was seen as a complimentary service, alongside support from an individual, to answer simpler queries or information requests.

### 7.3.3 Views on paid for services

When it comes to paying for support services, LBs often paid for services from industry bodies, trade associations and/or export specific agencies<sup>12</sup>. Industry bodies, such as the EIC, were relied on and paid for because they could offer expert advice, provide access to data on global export opportunities and market data, and access to networking events. All of which were specific to their industry. Moreover, these associations were seen to represent their industry and therefore would be working in the best interest of businesses in a particular industry. LBs were often willing to pay for services, as long as they felt they could justify the expense and they could see results.

Overall, when it came to paying for DIT services, most LBs stated they would be willing to pay however this willingness was contingent upon this support being bespoke, effective, timely and seen as good value for money. Before signing up to a paid for service, LBs wanted a better understanding of what support and services they would receive. LBs with more experience of working regularly with DIT and reported having positive experiences, were typically more willing to pay, whereas those that had less contact with DIT and were less aware of the current service offer were more hesitant and wanted to understand more about the offer. They had less knowledge of how useful the service would be and therefore whether it would be worth paying for.

Both DIT staff and LBs were of the view that if a business felt they were receiving the best and quickest service, then they would be less worried about how much it costs and more willing to pay.

Despite this view of LBs willingness to pay, there was mention of a long-standing debate among DIT staff about whether to charge for support services. DIT staff felt that it was not entirely straight forward, as their most valued support is often subtle and based on long running relationships rather than discrete services. However, some DIT staff felt that LBs were more likely to pay for those discrete, quick solutions and tactical support services, such as, resolving contract or border issues.

Furthermore, DIT staff were concerned that asking LBs to pay for their services would deter LBs from seeking their support. They felt that while the businesses that they work with were typically willing to pay for a service if they see it is effective and timely, they worried about LBs being frustrated with the idea of having to pay every time they want to access support or have a conversation with DIT.

“If we start making it difficult for them all we're going to do is shoot ourselves in the foot in terms of being able to create export opportunities for more UK companies.”

(DIT Staff)

These findings indicate that there may be opportunity for DIT to provide paid-for services, however, LBs require a more developed proposition to accurately determine their interest. Further concept development and research is therefore needed.

<sup>12</sup> Note: LBs interviewed did not report receiving (paid) export promotion support by overseas governments

## 8 Conclusion and recommendations

### 8.1 Conclusions

The biggest short to medium term barriers to exporting for large businesses (LBs) were related to EU Exit and COVID-19. There is therefore a need at present for the Department for International Trade (DIT) to enable businesses to maintain pre-EU Exit and COVID-19 levels of export activity by helping them to navigate new customs requirements, overcome perceived and anticipated post EU Exit regulatory barriers, remain competitive and attractive to EU and global customers and win new contracts.

Accessing new markets is normally the biggest challenge for LBs. Formal and informal market access barriers were reported as the main longer-term barrier to LBs exporting more. In particular, harder to reach markets were perceived to have the most challenging cultural and regulatory frameworks, whilst offering the greatest growth opportunities, particularly for more mature LB exporters. A lack of networks, resource and funding were more likely to be barriers for smaller, less mature LB exporters.

Reflecting the diversity of LBs interviewed, the export support needs of LBs during the export journey were wide-ranging. LBs that were less mature typically required and valued support from DIT earlier in the export journey due to having less internal resource and experience. LBs that were more mature (often large, multinational exporters), most needed DIT support to win new contracts and overcome formal and informal market barriers at the development and delivery stage of the export journey. Within the sample, public service sector and goods exporters were more likely to use and value DIT support, whilst those in commercial sectors often relied on private consultancies. The need for support was greatest for LBs exporting to hard to access and underserved markets. The diversity of LBs and complexity of their needs indicates the importance of DIT creating a targeted and tailored LB export support offer.

Overall, DIT was viewed as uniquely placed to leverage its government-to-government relationships to help LBs access new markets and win new contracts. DIT was most valued for organising trade missions, overcoming regulatory barriers, lobbying within embassies and providing inside intelligence to help LBs win contracts. In particular, DIT was felt to be uniquely placed to help LBs access the harder to reach markets that are crucial for growth, as well as markets that are currently underserved by other export support service providers. In the longer-term there is therefore a significant need and opportunity for DIT to increase its focus on breaking down the real and perceived barriers to LBs exporting to these markets.

In terms of the delivery of DIT services, there was a clear preference for LBs to have a dedicated, single point of contact who is easy to access, understands their business needs, has knowledge of the sector and / or export market and efficiently connects them to the required support. There is an understanding that not all LBs can receive this level of service. However, a digital platform is considered unlikely to efficiently provide the answers to LB's complex and specific export questions. Further research is needed, once DIT has developed its LB export offer, to explore the option of DIT charging LBs for export support services.

Opportunities identified to improve the delivery of DIT support include:

- Improving the consistency of the quality of DIT support

- Addressing internal fragmentation to provide a more joined-up support service across government departments and increase the efficiency of connecting LBs to the right support
- Providing clarity on DIT's position regarding confidentiality and impartiality

There is also opportunity to streamline DIT services at the discovery stage by increasing its database of external export support providers and signposting LBs to these, whilst maintaining ownership of the overall relationship and ensuring LBs support needs are addressed.

Finally, there is a clear need to promote and increase awareness of DIT's export services for LBs and communicate where it is uniquely placed to provide support over private export services. Greater awareness will facilitate increased uptake, in turn enabling DIT to support more LBs in reaching their export potential. However, given the number and diversity of LBs and limited resources available, it will be important for DIT to prioritise which LBs to target with which services to ensure it allocates the most effort to activities that will generate the largest or most strategic return.

## 8.2 Future considerations

The following are suggestions to consider when developing DIT's LB export offer drawing on the feedback from LBs and DIT staff interviewed. It is based on maximising the export value of the support; DIT may need to balance this against other strategic priorities such as net zero and levelling up:

- **Consider creating a 'Tier One' and 'Tier Two' LB export support offer**
  - This would reflect the different export needs of more mature and less mature LB exporters to provide the most extensive support to those determined to have the highest value export potential (see below for suggested criteria)
  - Notably, whilst we provide guidance below, further analysis of market data is recommended to define 'Tier One' and 'Tier Two' LB criteria
- **Select criteria to target and define 'Tier One' businesses, such as:**
  - Business size (500 or 1000+ employees)
  - Volume of UK business from exports (50%+)
  - International presence
  - Type of export – prioritise these based on where DIT can have the most impact, e.g.:
    - Public service sector where DIT has established contacts and greater influence
    - Manufacturing and goods (including in the commercial sector) which have greater market access challenges and regulations to navigate and overcome
    - Services where there are also regulations e.g lab testing
  - Target export market – prioritise these based on:
    - Markets where DIT has the most influence, reflecting UK Trade and regional objectives
    - Markets where these businesses are more likely to experience export barriers:

- Hard to access markets which present the greatest challenge and biggest growth opportunities for these high value exporters
- Underserved markets where DIT has a network to support LBs whilst other service provided do not
- **Focus Tier One support on leveraging G2G relationships to enable LBs to access new markets and win large/strategic contracts**
  - Proactively flag relevant market and contract opportunities, including trade missions
  - Help LBs to navigate and overcome market access issues at the planning, preparation stage, using G2G relationships to resolve formal regulatory barriers
  - Lobby within the embassies and provide high level intelligence on how LBs can position and refine their bids to win new contract
  - During the delivery stage, be prepared to problem solve time-sensitive border issues to ensure the fulfilment of contracts
  - Alongside the above, provide support in overcoming ongoing, longer-term EU Exit and COVID-19 difficulties to ensure export activities can be sustained
- **Assign 'Tier One' large businesses a single point of contact, who:**
  - Develops an in-depth understanding of their business needs
  - Has expertise in the LBs industry and target market
  - Outlines DIT services and opportunities they have identified to provide support
  - Conducts quarterly reviews and is available for ad hoc requests
  - Is connected to other government departments supporting the business with these working together to deliver a joined-up approach
  - Is trained in navigating DIT's extensive internal and external network
  - Signposts to others (internal or external) with specialist expertise
    - Ensures they connect the LB with the right contact on the first attempt
    - Maintains ownership of the issue when connecting the business to a partner, by following-up and ensuring a satisfactory solution
- **Select criteria to target and define 'Tier Two' large businesses:**
  - Business size (250 to 500 employees)
  - Export volume (less than 50%)
  - UK based (limited international presence)
  - Time past since exporting to a new market
  - Type of export – prioritise based on where DIT can have the most impact
  - Target export market – prioritise these based on where DIT has the most influence
- **Provide greater support for 'Tier Two' LBs at the Trigger and Discovery stage**
  - Identify funding opportunities to increase their export capacity and overcome the potential risks of exporting to new markets, including support from UKEF
  - Provide more hand-holding during the export journey, particularly during the Discovery stage by connecting them to partners within the UK and the target market that can elevate their market understanding and scope out the feasibility of the opportunity
  - Support them in developing an export plan, helping them to identify key contacts and preparing them for market access challenges during planning and delivery stages



- ***Consider assigning support teams to help 'Tier Two' LBs***
  - Instead of offering a single point of contact, consider creating DIT support teams with different expertise that conduct bi-annual reviews and are readily available for Tier Two businesses to call for support.
  - Consider offering a digital platform as a complementary source of support for these businesses for them to gain answers to specific, tactical questions (e.g. through a chat function).

## Annex 1 – technical annex

This section provides more detail on the research methodology.

### 9.1 Design

The research comprised of a total of 32 interviews with large businesses and operational staff from the Department for International Trade (DIT). All interviews were conducted online, via Zoom or Microsoft Teams. Two phases of interviews were conducted; the first phase took place between 4 November 2020 and 5 February 2021, and the second phase took place between 9 March and 7 April 2021. In between the two phases a workshop was conducted to review initial findings and create hypotheses to inform Phase 2 of the fieldwork.

In total, 27 in-depth interviews were conducted with large businesses. The majority consisted of one-to-one interviews with someone from the business who was responsible for the businesses export strategy and operations. A few interviews were paired depths involving two people from the business to ensure both a strategic and operational perspective was captured. All large business interviews lasted approximately 60 minutes.

All large businesses were recruited to be current exporters with 250 or more employees based in their UK office. Due to these businesses being time-poor and therefore challenging to recruit (particularly in the context of EU Exit and COVID-19), quotas were not set beyond this core criteria. Nevertheless, a wide variety of large businesses were recruited, encompassing a range of sizes, sectors, length of time exporting, the types of services and products exported, and destinations exported to.

**Table 9.1.1 below shows the diversity of participants recruited** (see Chapter 2.1 for more details):

<b>27 Interviews conducted with Large Businesses:</b>		
Number of Employees	250 to 499	11
	500 to 999	6
	1000+	10
Type of Exporting	Primarily goods	16
	Primarily services	6
	Mixture of both	5
Exports as % of Operations	1 to 25%	7
	26 to 50%	4
	50+%	16

In total, 5 mini-group interviews were conducted with operational staff, with each group consisting of staff that had one large business in common that they all supported. A variety of roles were represented within these groups, including International Trade Advisors and Strategic Relationship Managers. Some of these staff worked within a range of sectors, whereas others were specialists within a particular industry or region. All staff interviews lasted approximately 90 minutes.

## 9.2 Recruitment and fieldwork

The business sample was initially drawn from DIT's database of businesses, Datahub, with businesses being contacted to opt-in to the research. Once opted-in, businesses were screened by key quotas to ensure that appropriate participants were selected for the research. While this approach yielded some relevant participants, many businesses were screened out, either due to their size or lack of recent exporting activity. In addition, many respondents were occupied with business matters and could not commit to taking part in an interview with short notice. Therefore, a decision was made to also contact businesses who had previously responded to DIT's National Survey of Registered Businesses (NSRB) and/or Export Client Survey (ECS), which yielded a better sample of appropriate businesses. These businesses had agreed to be recontacted to participate in research and so it should be noted that their relationship with DIT may have an influence on their export experiences, knowledge and attitudes.

Contact details of relevant DIT operational staff were provided directly to Kantar after being first contacted from within DIT to share information on the project and receive their informed consent.

Interviews were carried out by Kantar using a discussion guide approved by DIT and mindful of the project's objectives. A separate guide was used for interviews with DIT staff.

## 9.3 Analysis

Our approach to analysis was robust, rigorous and systematic. We conducted thematic qualitative analysis which involved use of a matrix mapping framework to identify key themes and variation across key sub-groups of interest. Researcher analysis sessions were conducted and used to support interpretation of the data, during which the team came together to discuss and test emerging themes and insights. These methods of analysis focused on identifying key themes and patterns – including the range of factors influencing businesses' experiences of exporting and the support that businesses need with their exporting activities going forward. Where important issues and trends were identified, quotations were noted and included within the report to bring the findings to life.

## **Annex 2 – References**

Department for International Trade (2018), *Export Strategy*

Department for International Trade (2019), '*National Survey of Registered Businesses' Exporting Behaviours, Attitudes and Needs*'

Department for International Trade (2020), *Barriers of exporting firms and the role of export promotion in addressing them*

Department for International Trade (publication tbc 2021), *Descriptive Analysis of the Export Client Survey April 2018 to March 2020*

The UK's Department for International Trade (DIT) has overall responsibility for promoting UK trade across the world and attracting foreign investment to our economy. We are a specialised government body with responsibility for negotiating international trade policy, supporting business, as well as developing an outward looking trade diplomacy strategy.

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