

# Cast your export net far and wide

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**I**n business it is all too easy to close your eyes to difficult truths and hope they will resolve themselves before they affect you.

Many UK manufacturers fell into this trap last year over the Euro.

Europe is a key export market for most British producers, which generates considerable overseas earnings for UK plc and helps stabilise the national economy. But last year its currency, the Euro, wobbled alarmingly.

As it turned out, catastrophe was averted. We can speculate whether it's recovery was luck or judgement – but that is not really relevant. What should be understood is that the Euro may have further troubles ahead and they be worse the next time around.

In fact, this is an application of the prudent business principle of always considering the worst-case scenario.

However, I can't think of any manufacturer that is in a position to say: "We are going to pull out of Europe and concentrate on other markets". It has probably taken years to establish some European customers and they probably want to continue the relationship – which is great if there is a viable currency.

The answer, of course, is that each company needs to export to several different regions, ideally in relatively even proportions so that they are not over-

exposed to any one currency. This is obviously expensive, difficult and time-consuming to set up – it has taken my company a couple of decades and we have always been export-oriented.

So let's summarise the salient points for each region:

■ **Western Europe** Well-established; easy to travel to and in; generally free from corruption; generally welcoming, especially to EU members; works largely to EU rules and regulations. But has not seen massive growth for some years. Currency is a latter-day construction, the foundations of which are now known to be weaker than expected.

■ **Central and Eastern Europe** Emerging markets exhibiting strong and sustained growth; hungry for modern technology, which it is able to support with qualified people and distribution/service infrastructure. However payments may be slow/difficult, and corruption may occur.

■ **North America** Enormous, sophisticated and high-tech economy; low language barrier. But is continuing to struggle against global competition; tends to be insular; prefers Imperial measurements; has strong trade links with Pacific/Asian countries as well as Europe.

■ **China/Asia** Economy is booming and looks set to continue for decades to come (although there will be peaks and troughs);

keen on technology and automation; enormous population becoming economically active. However, cultural differences require considerable study; transport infrastructure is far from complete; legislation and regulations can be a minefield; no common language; corruption is possible.

■ **South America** Brazil is developing apace and other countries can be expected to follow in time. Like Asia, it has a large population, but a poor infrastructure. Therefore pockets of development around large established cities. The region trades in US dollars and speaks Spanish/Portuguese, but political stability is not always certain.

In all of these regions, the most important export tool has got to be your company's Web site, with its keywords, metatags and so on. This should mean that enquiries are received that can be dealt with directly or passed on to local distributors, thus showing your company's commitment to supporting its distributors.

The conclusion is that UK manufacturers must put every effort into export, and find as many support mechanisms as possible, including local distributors, export guarantees/insurance, exploration visits, and help from trade associations, trade councils and so on. Exporting isn't easy and it won't make you rich, but it is quite simply a necessity. ■



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