

Ready, Set, Export: Melbourne's North

Regional Export Assistance Program 2001

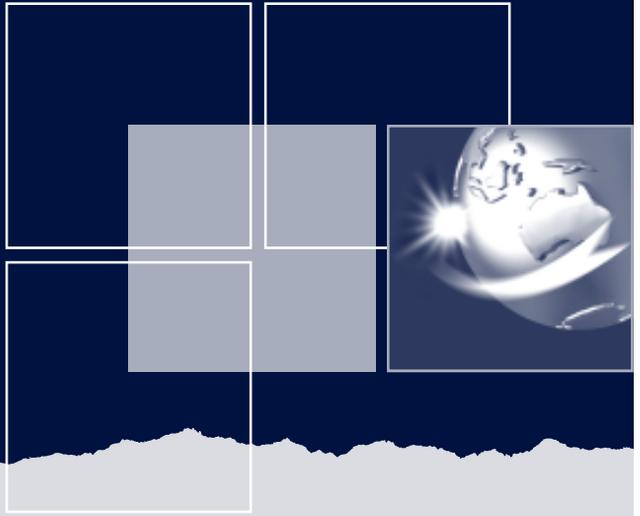


Networking for Economic Development



INCLUDING THE TOTAL BUSINESS EXCELLENCE MODEL

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Mick Butera
Executive Director, NIETL/NORTH Link

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Foreword

NIETL/NORTH Link studies identified the potential to successfully encourage and accelerate the implementation of an exports culture in manufacturing industry in the northern region of Melbourne, especially small to medium sized enterprises

The benefits of an export culture within an organisation are many and include:

- Sales growth through access to larger markets
- Expansion of the customer base and avoidance of dependence on domestic market alone
- Opportunities to develop global alliances in new markets through partnerships and joint ventures
- Identification of company competitive position against world’s best practice
- Opportunity to work closely with companies that successfully export

In today’s global economic environment it is essential that companies have the ability and flexibility to meet the challenge of global competition. The NIETL/NORTH Link Regional Export Assistance Program provided participants with an opportunity to benchmark their business against international competition; to review business systems and assess capabilities and capacity to compete against the world’s best.

NIETL/NORTH Link was concerned at the missed export opportunities within the northern region of Melbourne, because many companies were not considering expanding, due to the lack of confidence in doing business internationally. The program addressed these at the “grass roots” level with a view to identifying the factors limiting exports. The approach of the program provided participants with a “how to” global strategy for exporting.

The objectives and outcomes of the program were:

- To increase the number of exporters in the region and create new jobs
- To develop an export culture with successful local exporters acting as mentors
- To provide case studies and a best practice manual for new exporters to use as a self-help guide and decision making

The program during 2001 has provided twenty six northern region firms, with business improvement and export strategies to successfully take their products and services to world markets.

NIETL/NORTH Link is pleased to present the Northern Area Consultative Committee (NACC) and the Commonwealth Government of Australia with the “Ready, Set, Export: Melbourne’s North” Final Report and to announce that we have fully met the project aims and objectives.

We offer the strategies and methodologies contained in this report as tools to assist those businesses seeking export markets and increased international competitiveness.

NIETL/NORTH Link will be continuing to build on the achievements of “Ready, Set, Export: Melbourne’s North” through dissemination of this report to business and by continuing to develop the vibrant export culture existing in the northern region of Melbourne.

Mr Chris Heysen
Chair, NIETL/NORTH Link

Executive Summary



The northern region of Melbourne contains over 3900 (28.0%) of manufacturing establishments in Victoria and 8.8% of those in Australia, making it one of the most significant manufacturing areas in the country. The region is diverse but is renowned for its manufacturing base whilst the region is the location for many high ranking and internationally competitive and recognised manufacturers, considerable potential exists for increased exports, especially from the 3600 SME manufacturers with 50 employees or less

NIETL/NORTH Link research identified three key reasons why small businesses do not export:

- Lack of know-how and support
- Lack of export culture
- Lack of capabilities and adequate resources to research and implement a sustainable export expansion

The Regional Export Assistance Program was specifically established to overcome these barriers and to provide businesses with the guidance, support and expertise necessary to establish export markets. It is expected that the project will lead to significant increases in turnover and jobs growth, from increased export activities and general skills development. Companies were provided with advice and assistance to branch out into new markets, grow their customer base, improve businesses and ultimately increase profits. Their confidence in competing overseas was raised with the development of a workable export strategy, targeting specific markets that matched internal capabilities. Resources, business systems and operational procedures enabling them to trade at international levels while minimising financial risks, were an essential part of the program.

The key focus was on getting the systems, processes and procedures right before embarking on exporting. The project engaged businesses with aggregate annual sales exceeding \$260 million and employment levels of 1200 people

- Industry Categories were:
Metals/Engineering 58%,
TCF 15%, Food 12%, Other 15%
- Businesses were located in:
Whittlesea 30%, Hume 20%,
Darebin 15%, Moreland 13%,
Nillumbik 9%, Banyule 4%, Other 9%

Participants received a complete package of export readiness assistance, through one-on-one mentoring workshops, guest lectures and networking opportunities. They received regular individual advice on the effectiveness of their business systems, capabilities, resource usage and international market requirements.

Participants in "Ready, Set, Export: Melbourne's North" initially reviewed their competitive position against world's best practice business methods to assess their strengths and weaknesses in all facets of business operations.

Then in a step by step approach, each firm implemented changes to their business financial systems and operational procedures by reviewing international capabilities, resources and reporting structure.

Mentoring was an essential component of the program, as participants had different needs, products, methodologies and were at different stages of export readiness. The initial assessment focused on reviewing company strategic objectives and commitment to develop international markets. The need to be competitive on total value; products and services that exceeded those of major competitors and a leadership culture in the company that focused on total service and attention to customer and market requirements was then developed by each business.

Conclusion

Each firm reviewed and reassessed their commitment and the benefits of expanding into larger markets. The review process highlighted the many areas that required attention including business planning; measures and cost control; marketing strategies; manufacturing process/quality improvements; improved reporting and employee accountability; teams to develop new products and markets; profitable opportunities to fund business expansion and a total analysis of all costs. Major product groups were dissected and reviewed to identify and implement actions to improve overall trading results.

Over the last six months participants then finalised their international marketing strategies, export capabilities, competitive advantages and selected export target markets prior to implementation of action plans such as overseas trade fairs, exhibitions, selection of suitable agents, distributors, joint venture partnerships and technology agreements.

Each of the participants is now willing and able to expand globally. Many have unique advantages in products for niche markets, however, success or failure will still strongly depend on commitment and attention to fully servicing international customers and markets. We are confident that the program has successfully provided them with the ability to meet this requirement.

Project Outcomes

Each participating firm was asked to provide a brief summary of their business trends following completion of the Regional Export Assistance Program. The summarised results were:

- A. **Domestic and export sales**
Predicted to increase by \$6 million in 2002, twenty four firms have reported sales growth and seven firms predicted stable sales
- B. **Additional Employment**
Nineteen firms predicting 39 new jobs in 2002 in areas of management/administration, marketing/sales, technical areas and skilled & semi skilled production operatives
- C. **Maintain existing employment**
Eleven firms reported no change in employment in 2002

The program has provided participants with greater awareness and understanding on how to conduct business internationally and generate additional and sustainable business activity through partnerships and joint ventures. These positive outcomes will ultimately improve regional economy and generate an export culture.

Recommendations

“Ready, Set, Export: Melbourne’s North” makes the following recommendations for successful export outcomes:

- The world of International competition requires maximum attention and will stretch company resources. The rewards are many when dealing with larger markets and the financial risks need to be minimised through a tightly controlled and managed plan
- Export market development needs to be treated as a long-term investment plan. Achievement of market objectives and return on investment does not happen overnight. Adequate initial planning and selecting the most suitable and appropriate country for the intended product will minimise the financial risks and maximise the chances of winning the first international contract. A well researched and prepared offer is essential together with maintaining close contact with the prospective customer

- It is essential to undertake a thorough assessment of the product suitability for intended market application. Product samples must be evaluated and tested against their functional use. Product performance and process quality must not be vulnerable to product liability claims. Products with a high liability risk need to be covered by a product liability insurance
- Legal systems and payment risk in each export destination require a thorough examination. It is recommended that assistance from an advising bank and Export Finance and Insurance Corporation (EFIC) to manage the payment and finance risks is obtained
- SME's need to increase their international competitiveness through enhancement of their financial, operational and management systems and to develop employee skill capabilities to implement marketing strategies for global market positioning to have any chance of export success
- Successful exporters need to be pro-active in servicing international customers/markets and providing technical services by working along side customers and industry leaders. The on-going development of new products for future markets offering design input, research and testing evaluation, and sample prototypes is essential. These enhance the prospects of winning future export contracts through a better overall awareness of the total requirements and the cost/price targets
- Participants have shown their willingness to expand globally, with unique products to service niche markets, however, the success factors strongly depend on manufacturing systems with capabilities to meet larger volumes with improved process quality and production through-put. It is recommended that government provide additional support & funding to assist smaller SME's in the transition to larger markets
- To ensure continuous success, firms must continue to devote attention to the review, and implementation of:
 - a wide range of manufacturing operational improvements that will enhance productivity, quality and price competitiveness
 - leadership culture with employee development/involvement to create team capability for international markets
 - research and technology strategies for the development of marketing and commercialisation propositions that will retain and extend competitiveness
 - financial and administration systems to ensure that business aims, targets, measures, control finances and timing outcomes continue to meet market demands
- The northern region of Melbourne still offers untapped potential in the form of SME manufacturers with export capability. The process of indentifying them and providing export readiness assistance necessary to enable those firms to sell their products overseas must be continued in order to maximise employment and output from the northern region of Melbourne

Background



There are over 3900 manufacturers in the northern region of Melbourne (ABS Business Register, September 1998). A study commissioned in 1996 by NIETL/NORTH Link **“Increasing Manufactured Exports” Melbourne’s Northern Region Export Project** identified that considerable scope existed for improving exports from the region, especially by small to medium sized enterprises

The study was based on a survey of 162 manufacturers, followed by workshops with 28 of those manufacturers. The study identified that companies considering exporting were experiencing significant uncertainties. As a result, the NIETL/NORTH Link Regional Export Assistance Program was implemented in 2000 and repeated in 2001 to assist local manufacturing firms who were interested in developing business capabilities to compete in global markets.

A range of regional wide activities were presented by NIETL/NORTH Link to stimulate a regional exports culture and to stimulate the establishment of the Regional Export Assistance Program. These were generally attended by over 150 businesses and included topics such as:

- **“Exporting to the Global Economy”**
Part of the International Business Day at the City of Whittlesea
- **“Export Opportunities in South West Asia”**
Case Studies and Trade Commissioners at St Georges Restaurant, NMIT
- **“Business Opportunities – Mexico, Brazil and Latin America”**
Case Studies and Trade Commissioners at the Coburg Concert Hall
- **“E-commerce for Exporters, an exporter’s introduction to electronic commerce”**
Two workshops in conjunction with Austrade at NIETL/NORTH Link Preston
- **“Business Opportunities in the Americas”**
Michael Johnson, Executive General Manager, Austrade, Americas region plus company case studies at La Trobe University
- **“Business Opportunities in the European Union”**
His Excellency Don Kenyon, Australian Ambassador to the European Community plus company case studies at City of Whittlesea

- **“Brazil – Business as Usual”**
A one-day visit to the region by the Brazilian Ambassador to Australia, His Excellency Antonio Dayrell de Lima and a Trade Mission organised with the Australia-Brazil Chamber of Commerce plus case studies and business breakfast at RMIT (Bundoora)
- **“Northern Region Trade Mission to NZ & South Pacific”**
A delegation of eight firms visited NZ and the South Pacific seeking new business and export opportunities
- **“Exporters of the Year Award Winners”**
Case studies of export success and how to identify and overcome export obstacles at the Coburg Concert Hall
- **“Business Opportunities in Russia”**
Her Excellency, Ruth Pearce, Australian Ambassador to Federation of Russia at RMIT (Bundoora)
- **“Business Opportunities in NY”**
Geoffrey Gray, Senior Trade Commissioner & Deputy Consul-General New York at La Trobe University

NIETL/NORTH Link recognises that the decision to export is a serious financial commitment for small to medium sized enterprises and if they wish to export they must first become “export ready”. Only the company can take the first step, which means the Chief Executive Officer must be committed to exporting on a long term basis and be prepared to commit the resources necessary to initiate and achieve export objectives. Companies that export must be prepared to be self-sufficient and not rely on government assistance to make the export activity viable, though government start up assistance may be necessary and helpful.

The NIETL/NORTH Link Regional Export Assistance Program was specifically developed to provide assistance and guidance to local SME’s in becoming export ready. Since July 2000, when the export program was first launched, fifty two (52) firms have benefited from the program, raising the awareness and confidence levels in doing business internationally. The company focus was on the need to be internationally competitive through high standard business systems, stable processes and operational procedures in place to ensure competitiveness and minimising financial risks when exporting.

How Export Readiness Was Achieved



Total Business Excellence Model

International Competitiveness

The Regional Export Assistance program strongly emphasised the importance of establishing precise standards, operational procedures, business policies, realistic business plans, strategic planning, methods of measuring performance and the capacity to implement change and improvements. These were presented to businesses as the **“Total Business Excellence Model”** – the guidelines for the essential attributes for a world class organisation viz.,

1. Business Excellence Management Team

A management committee plus eight sub-committees that focusing on a wide range of continuous improvement and interaction activities including:

1.1 Customer Relations

Customer service programs, customer satisfaction surveys, retention, value added analysis, long term relationships, market research, communication, customer kept informed of new developments

1.2 Employee Development

Leadership, culture, employee empowerment, team building and natural work groups, skilled workforce

1.3 Manufacturing Systems

Lean manufacturing methods, waste reduction, building quality in the production process, value/ supply chain

1.4 Quality Assurance

Quality standards, advance planning, cost of quality, statistical methods, process plans and audits

1.5 Product Engineering

Research/design innovation, product testing, critical characteristics analysis product features/performance and cost reductions

1.6 Services & Facilities

Health and safety, environmental responsibilities, security, housekeeping, plant & equipment preventative maintenance

1.7 Administrative Systems

Financial reporting, inventory control/purchasing, order entry and order maintenance, general accounting, business planning

1.8 Supplier Relationships

Develop supplier quality, supplier selection procedures, delivery performance, cost reductions, develop strong relationships

2. Analyse the Current Business

Undertake a thorough review of where the business is at the moment and identify the measurable features of the business

2.1 Analyse Sales Revenue Levels

Review sales levels in categories of product groups, customer and market segments and compare the past two financial years. Establish if sales have increased or decreased and understand why the changes have occurred

2.2 Analyse the Market and Market Share

Review existing markets and understand the trends of recent years, implement actions that focus on customer retention and growth strategies, conduct a SWOT analysis and benchmark against major competitors

2.3 Finance and Administration

Review financial systems, methods and actions for improved trading results, product and process costs levels, methods of controlling variable costs e.g. materials, payroll, freight, scrap, reworks, repairs and maintenance, tooling and capital expenditures

2.4 Production and Logistics/Supply Chain

Review operational costs, implement productivity programs, lead time reduction, flexibility, inventory reductions, forecasting accuracy and effectiveness, supplier relationship and improved customer service

2.5 Human Resources

Analyse skills shortages, implement training and education incentive programs, establish natural work groups accountable for the day-to-day operations

2.6 Research/Technology Innovation

Implement a wide range of innovation and continuous improvement programs that focus on design and process improvements and provide real value to the customers and a competitive advantage for the business

3. Prepare a Business Plan

An annual business plan must be prepared accurately to capitalise on opportunities and to minimise the weaknesses and threats to the business

3.1 The Executive Summary and Trading Overview of Previous Year

Review previous year key trading statistics, achievements and non-achievements. This information will provide an accurate base and starting position for the incoming trading year business plan

3.2 Preparing a Business Plan

The contents of the business plan to include a summary of all key trading statistics including:

- Sales levels
- Market share projections, market size
- Sales by customer breakdown
- Capital expenditure & tooling
- Product/process innovation
- Performance improvements – productivity & efficiency
- Employee levels and skills development
- Cost reductions and cost control
- Attention to customer service
- New product development & new releases
- Manufacturing & supply chain analysis
- Budget financials e.g. trading statement, balance sheet, cash flows

Make allowances for cost increases, review each products gross profit/margins and priorities the ones that require attention for improvements. Identify major key performance indicators to measure and control the business on an ongoing review basis. Ensure employees assist in the business plan and the participation will ensure ownership and drive successful outcomes

3.3 Implementation of the Business Plan

Establish business targets and objectives for the trading year ahead and share them with employees so that the forward business targets are understood. Allocate tasks, timing measures and establish correct communication channels. Regular meetings will be necessary for ongoing reviews and reports on findings against the planned actions

3.4 Monthly Financial & Projects Reporting

Monitor the business plan monthly against key objectives and achievements on what was planned. If negative deviations occur, implement actions to get the business back on the right track. Implement monthly written reports showing trends and obtain support from major departments to assist in the corrective actions and measures

3.5 Strategic Plan 5 Years

Conduct a review of long term activities and business requirements. A strategic sales/market plan is an important analysis of the future business. Evaluate the basis for growth, critical success factors/objectives and ready to meet changing market/customer trends and requirements by:

- Identifying a range of key objectives and assumptions as part of “The Vision”
- Introducing methods of measuring the assumptions, timing and responsibilities
- Developing a “mission” statement and competitive advantage statements to identify how to maintain the advantage
- Developing strategic business needs e.g. sales, profitability, quality, skills development, innovation in product/process, productivity measures, delivery performance and cash flows

Each participating company was provided with the Total Business Excellence Model for integration systems.

Business Excellence Management Team

The Business Excellence Management Team, eight Sub-committees and the various teams are established and through regular interactive meetings, focus on a wide range of continuous improvement initiatives and monitor the rate of progress and achievement against company objectives

Continuous improvement teams

<p>Customer Relations</p> <ul style="list-style-type: none"> ■ service ■ image ■ communication ■ relationships ■ regular visits ■ informed 	<p>Employee Development</p> <ul style="list-style-type: none"> ■ leadership culture ■ skills ■ team building ■ empathy ■ communication ■ involvement 	<p>Manufacturing Systems</p> <ul style="list-style-type: none"> ■ quality ■ flexibility ■ responsiveness ■ process flow ■ waste reduction ■ cross functional ■ productivity
<p>Quality Assurance</p> <ul style="list-style-type: none"> ■ advance planning ■ quality system ■ cost of quality ■ statistical methods ■ process plans ■ audits 	<p>Business Excellence Management Team</p> <p>Leader: _____</p> <p>Deputy: _____</p> <p>_____</p> <p>_____</p> <p>"Continuous Improvements"</p>	<p>Project Engineering</p> <ul style="list-style-type: none"> ■ innovation ■ product testing ■ critical characteristics ■ performance ■ design ■ cost reduction
<p>Services & Facilities</p> <ul style="list-style-type: none"> ■ safety ■ environmental ■ security ■ preventative maintenance ■ housekeeping 	<p>Administrative Systems</p> <ul style="list-style-type: none"> ■ financial reporting ■ inventory controls ■ purchasing ■ MRP system ■ order entry ■ debtors/creditors 	<p>Supplier Relationships</p> <ul style="list-style-type: none"> ■ supplier selection ■ quality development ■ cost reductions ■ delivery performance ■ new technology

Business Excellence Commitment – Company Wide Objectives

- To understand customer needs and improve customer satisfaction
- To improve communication and create a supportive and cooperative team
- To increase employee development and participation at all levels of the organisation
- To reduce operational and manufacturing costs
- To increase productivity, reduce variations/variability
- To achieve continuous improvement with team work and cooperation
- To maintain a quality system certified to international standards (ie ISO 9000:2000)

Understanding the Importance of Exporting

Increased exports brings significant benefits to both a region collectively and to individual organisations through increased economic activity, additional jobs and general skills development

Important benefits for individual businesses that successfully export include:

- Increased profitability through economies of scale by spreading fixed and variable costs across a greater volume of sales
- Expansion of customer base and avoidance of dependence on the domestic markets alone
- Opportunities to develop global alliances and new markets through partnerships and joint ventures
- Identification of company competitive position against world's best practice manufacturing organisation through "benchmarking"
- Using excess production capacity and the benefits of further utilisation of machinery and facilities for a quicker pay back through higher volumes and production through-puts
- Improvements in business operational performance through better business practices and improved procedures and employee skills
- Research and development, process tooling and other capital investment expenditures can be spread over large volumes and longer product life, making the product more price competitive
- Opportunities for higher volumes, provides greater buying power and reduced material costs through the economies of sale
- Improved employee skill development and job satisfaction being part of an internationally successful company
- Increased regional pride and opportunities for regional promotion and development

Export Readiness Checklist

Export activities need to be developed by the Business Excellence Management Team as an integral part of the company business and strategic plan to assess and review current capabilities and opportunities for exports

The key elements of export readiness are:

- A CEO who is committed to export activities
- Preparedness to allocate adequate resources and management time
- Inclusion of financial investments and expenditures in the annual business plan
- Preparedness to compete on value, not just price (e.g. quality, service, delivery, etc)
- Selection of the best quality/technology products suited to the target market and functional for its use and conformance to specifications
- A team with a strong customer orientation in both products and services
- An accredited international quality standard such as ISO 9000:2000
- Decisions based on market research, not gut feeling
- An implementation plan that is easy to manage and control
- Certainty that manufacturing capacity, together with suppliers’ support will meet the predicted increasing volumes
- Manufacturing process quality levels that are defect-free and conform to standards
- Packaging for the product/component handling and shipping is adequate for the target market, preventing damage during transportation
- Well researched target market to understand the country culture, the legal systems, the position & strength of major competitors competitive advantages and growth rates
- Effective advertising & sales promotions
- Use of the best supply-chain route-to-market
- Participation in trade fairs, exhibitions & trade missions
- Identifying and maximising opportunities available from government assistance for export development

Developing Export Strategies

Enterprise commitment to growth through export, demonstrates confidence from management and the ability to compete in global markets. Prior to any financial outlay, it is recommended that a number of issues be assessed and considered in the journey towards international expansion

The Export Market

Identify the key focus areas for export

- Asia, USA, Europe, South America, Middle East
- Establish office, agents, distributors
- Participate in trade exhibitions, fairs, missions
- Joint venture/partnerships, technology agreements, manufacturing agreements

Company Planning

Identify detail and review

- How to be more cost/feature competitive through innovation, meetings with company key staff, feedback on continuous improvements
- How to value add and expand product features, systems, product/process optimisation/commonisation
- Basis for growth analysis
 - present markets & present products
 - present markets & new products
 - new markets & present products
 - new markets & new products
- New markets, partnerships in new regions, product and technology sharing. Companies which can demonstrate key synergies and that have a sound business presence in the region

Production Facilities & Capacity

Review present capacity and quality for

- Ability to respond to increase customer orders
- Improved supply-chain systems and flexibility
- Ability to deliver 100% on-time
- Zero defects operational procedures
- Building quality into the production processes

Competitive Advantage

Approach export markets with the confidence of delivering total value not just price but also

- Quality, product technology & design/features
- Service, defect free products
- Regular visits to customers, present new ideas, refinements to existing products, display new future products

Innovation & Research Technology

Maintain close contact with customers, markets & industry

- Promote your product features, performance and value advantages
- Promote quality & product function
- Update product literature and promote advantages over your competitors

Quality Accreditation

Inform customers & industry of your quality accreditation achievements & procedures including

- Quality of international standards
- Quality systems that are in place
- Your quality planning & policies – process studies & feasibility analysis

E-commerce

Review the rapidly growing areas for embracing electronic commerce applications to

- Establish a website for sales activities and formal enquiries
- Enhance interaction with customers, suppliers, reduce time spent in communication
- Reduce costs and streamline the purchasing processes

Employee Involvement

Encourage employee participation in company projects, have regular briefings to inform the workforce of major outcomes & achievements to

- Provide employees with greater authority and decision making powers
- Encourage group team participation for productivity and quality programs
- Provide training & education opportunities in cross-skilling & multi-skilling

Financial Management

A big challenge for overseas trade is managing finances and the risks involved with securing payments

- Maintain close contact with your banks & EFIC
- Select customers that have the ability to pay
- Prepare quotations with total knowledge of engineering specification, product application and function

Export Overall Commitment

Successful outcomes will only be assured with total company commitment and financial support and

- Allocation of adequate human resources
- Clear understanding & commitment of international trade requirements
- Accurate realistic business planning, reporting and accountability
- Technical & quality support to maintain near zero defects outcomes
- Good promotion of material and regular visits to customers

International Marketing Plan

La Trobe University Graduate School of Management provided firms with assistance on international marketing plans

The International Marketing Planning Process

- ▼ SITUATION ANALYSIS
- ▼ PROBLEMS AND OPPORTUNITIES
- ▼ MARKETING OBJECTIVES
- ▼ STRATEGIES AND PROGRAMS
- EVALUATION AND CONTROL

Situation Analysis

- An evaluation of the political, economic, legal and cultural factors impacting on the company, both domestically and internationally, including threats and opportunities
- A review of the company's strengths and weaknesses

Problems & Opportunities

- A synthesis of the findings from the situation analysis, including a statement of significant threats and opportunities in the proposed overseas market, together with a view of existing and required competencies

Marketing Objectives

- A statement of the desired outcomes from the international marketing plan, including financial (sales) and non-financial (market share) objectives

Strategies & Programs

- Statements as to how the company plans to achieve the stated objectives, including positioning and marketing mix statements
- Detailed tactical plans relating to the product/service, pricing, promotion and distribution

Evaluation & Control

- Statements relating to the proposed method of tracking the performance of the international marketing plan, including the collection of information for control purposes

Key Components of an International Marketing Plan

- Executive Summary
- Mission Statement
- Company Background
- The Business
- The Products
- Export Market
- Political System – an Overview
- Regulation of the Industry
- Cultural Aspects
- Languages
- Religion
- Demographics
- Economic Statistics and Activity
- Regional Agreements and Bilateral Trade with Australia
- Political Environment
- Summary of Political Analysis
- Analysis of the External Environment
- Food Retail Analysis
- SWOT Analysis
- International Marketing Objectives
- Financial Objectives
- Non-financial Objectives
- Requirements
- International Marketing Strategy
- Supporting Arguments for choice of Entry Mode and Channel of Distribution
- Export Marketing Program
- Product
- Product Attributes
- Price
- Packaging
- Branding
- Place (Distribution System)
- Promotion
- Evaluation and Control
- Appendices
- References

MBA students from the Graduate School of Management, worked with fifteen of the participants to write and develop international marketing plans for business. A further seven companies will be provided with marketing plans in 2002. Students were under the supervision of Professor Geoff Durden and Dr Hernan Riquelme, La Trobe University Graduate School of Management, Faculty of Law & Management.

Preparing the Export Offer

Export can provide growth and profit, however, when committing the company to international markets, it is a long term commitment and the company must realise it is a complex and demanding field

It’s important to undertake an analysis or assessment of the market, the product expectations, the financial outlay & risks. Prior to finalising and committing to an export offer or contract arrangement, many factors need to be reviewed to make certain that all costs and conditions have been allowed for and considered in the selling price and the investment plan.

These include:

- **Customer**
Obtain full knowledge of the customer and ability to pay
- **Country/Region for Export**
Examine the culture, legal systems, foreign exchange risks and rate variations, tariff and non tariff barriers
- **Debtor Risk Insurance**
Be guided by the represented bank or talk to EFIC
- **Payment Methods**
Terms must be clearly stated
- **Trade Terms**
Select the most appropriate trading terms, indicate which element of transport and insurance costs are included in the quoted price. Cross check with the International Chamber of Commerce defined rules for trade terms, Incoterms 2000
- **Financials**
Exports will have a significant effect on cash flow cycle and working capital. There is a risk involved in over borrowing and the business must be able to fully service the additional borrowings
- **Unit Selling Price**
Always specify the currency in which the price is quoted and how long the price will remain unchanged. Endeavour to recover cost movements to materials and overheads
- **Annual Quantities Predictions**
Base production equipment and supply requirements on the daily calculated demands
- **Model Life Estimates**
Base the tooling, plant and equipment investments on model life quantity expectations
- **Annual Sales Forecasts**
Prepare a trading statement and assumptions analysis
- **Gross Profit and Costs of Production**
Assess the gross profit levels allowing for all costs, materials, direct labour, direct & indirect factory expenses and monitor the movements
- **First Sales Timing Forecasts**
Budget accordingly, cash flow will need to be able to support initial financial outlays
- **Assess the Size of the Target Market**
Identify opportunities for further growth and increased market share
- **Percentage of Market Share**
Have a clear knowledge of the major competitors and their competitive position in the market
- **Marketing/Promotional Requirements**
Factor in the price, initial marketing costs and future ongoing costs
- **Competitive Position**
Provide the best value product e.g. technology, quality, features to retain the competitive advantage and market leadership
- **Initial Samples Required**
Establish with the customer, the required quantities at all stages of product development and product introduction. Assess costs accurately
- **Project Timing Plan**
Establish an accurate and realistic plan of action including design concept, samples, testing, modifications, production, customer acceptance and supply requirements
- **Customer Sign-Off Procedure**
Have a clear understanding of required customer testing specification and method for acceptance

- **Packaging and Labelling Requirements**
Long destinations require special packaging, don't take the risk of product damage, obtain external assistance to reduce the risks of claims
- **Shipping Methods**
Obtain external advice on the best options for the destination
- **Customer Product Specifications**
Develop products suited to the target market, evaluate all critical characteristics of its functional use and be certain it conforms to the standards set by the customer
- **Modification to an Existing Product**
Ensure that the selected existing product will conform to international requirements e.g. performance, environmental factors, etc
- **New Product Development**
The development of new products can be an extremely long program, especially when dealing with international markets. Costs will need to be allocated accordingly
- **Product Component Tooling**
Accurately obtain tooling costs from suppliers and toolmakers and allow for quality gauging and test equipment for both initial and ongoing requirements
- **Product Testing Requirements**
Product testing to standards can be extremely costly. Need to identify at initial stage the product & component testing costs
- **Production Capacity**
Assess current capacity, consider second shifts, evaluate labour levels and equipment layout
- **Plant & Equipment**
Evaluate whether present manufacturing facilities are suitable to support volume predictions, review all process quality and then make changes that support the international zero process defects policy
- **Quality Planning**
Establish quality planning from the outset, feasibility analysis, process FMEA's, process flow chart, QA methods, mini production runs, process sign-off and customer sign-off acceptance
- **Management Team Members**
Form a management team to control the total project from start to finish with complete accountability

Seven Case Studies in Export Culture

Businesses were asked for comments on their participation in the export readiness program. At the completion of the program, each was asked to complete a questionnaire that evaluated the workshop topics and to provide a rating. An average response found every workshop as ‘Very Useful’ or ‘Extremely Useful’ and the benefits very favourable. The results were summarised and are presented pages 43-45

Individual comments are provided below to highlight what the program provided in the form of assistance and how it created increased awareness and enhanced export capabilities. The comments illustrate how the firms are now better positioned to make export decisions to reduce risks and maximise export success.

Mark Bini, General Manager, Techni-TurnKey Automation

Manufactures special purpose machinery including automation systems, materials handling and high pressure waterjet cutting machines with 25 employees.

“Being part of a regional export group helped us to learn about the ways others in the northern area have been successful at exporting. If we hadn’t utilised this support, we would not be in the position we are today.

We know a lot about our local market, especially its volume limitations, but we learned a lot about overseas markets just by getting information on how others have done it. We are aware of the importance of continual improvement and international business focus in order to stay ahead of the competition.

Negotiations are now underway with a company in Poland. AusIndustry investigated a lot of the background of that particular firm and then Paul, the export program facilitator, helped us to successfully develop an agency license agreement for their consideration.

If problems arise, it’s good to know that there are people who can help. We don’t have to go it alone.”

Karl Wolf, Managing Director, Wolf Engineering & Mill Wrights

Service business to the flour and grain industry, manufacturing roller mills and conducting general maintenance, with 9 employees.

“Competition in small machinery is pretty fierce. We make a very good machine but sales aren’t as high as they could be. With the Australian dollar the way it is, I thought now would be a good time to look at exporting. If we can get our machines out on the world market, we can increase production and grow the business.

Before I did the export program, I ran this business on the old system of keeping everything in my head. It doesn’t work well that way, there’s nothing for other people to refer to. We have a good turnover, but that’s not important if the business isn’t running efficiently. I understand now that we need systems and procedures.

The program made me realise I’m not exactly ready for export. I wish I was. It made me realise that I have to go back to the first principles with my business and get my house in order first. With the help of the program facilitator, I’ve been able to work out some financial projections of how the business may go in the future. Next step is to hire someone to run the office and help me organise everything, then I’ll look at developing a good business plan.

For me the program has been a steep learning curve. But I realise now that you can’t run a business by the seat of your pants, you have to know where you are going and plan. So I’ll keep working at it. In a year’s time I might be ready to look at exporting.”

Jim Holroyd, Managing Director, Holroyd Automatics, trading as Holroyd Engineering

Manufactures parts for the trailer industry and repairs motor vehicle torque converters, with 36 employees.

“Our company became involved with the program because we wanted to expand our business internationally.

What I found useful was the guest speakers and the information they gave us. Learning about what Austrade and other government agencies could offer in terms of information and grants available, the services available from banks to help with export payments and the session on using business intelligence to help find and understand prospective overseas markets were particularly good.

I had an idea about which markets I wanted to target. What I learned in the program helped me to decide to focus initially on the UK, and made me wary of US markets due to their size and difficulty. I definitely want to concentrate our money and efforts on where we will have a better chance.

The program emphasised the importance of streamlining our production capacity before trying to put an export strategy in place. We know that we have to be able to handle exports professionally and not go in half-baked. At the moment, we’re very busy servicing our domestic market and improving products and equipment. Our export planning is proceeding with all these factors in mind.”

Gary Willson, Marketing Director, Lantor of Australia

Manufactures non-woven fabrics and industrial textiles for business to business applications (e.g. babywipes, disposable medical fabrics, filtration media and barmat felts) with 42 employees.

“It is beneficial for us to be exposed to the issues and cultures of prospective markets. We knew that government and consultancy services existed, however, most importantly we learned what they have to offer and how to access their services.

We are now dealing with AusIndustry, Austrade and the State Government and are confident about approaching them with our good news story. Initially we are looking to expand in South East Asia. In the medium term we are targeting North America and Europe.

Speakers in the program covered a diverse range of topics. They gave us a balanced look at how to prepare well before going into export or expanding an existing export base. We’ve successfully followed up with several of the speakers and they are now assisting us in various ways.

Networking with other participants in the program was also very beneficial. I enjoyed exchanging information with people in similar situations.”

Bryant Ham, Managing Director, Food Process Engineering

Designs, project manages and supplies processing equipment to the food industry, with 5 employees.

“Through NIETL/NORTH Link’s Export Assistance Program we’ve been able to clearly identify the strategic planning and resources required to approach the industries in which our product finds its application. Now it’s a question of deciding which markets will cope with and accept our technology level. If difficulties arise we have a problem, with our limited resources, in providing adequate and timely service backup to customers who have limited technical skills. The process emphasised to us the importance of ‘getting it right’ so that these risks can be minimised.

We learned that it’s important to have everything in place before starting to export. That includes management, reporting, quality and financial systems, ensuring adequate and proper plans are in place and measuring what you’re doing. This has been relevant to our dealings with local markets too.

The advice we received from the program was to progress one step at a time and reduce risks.”

Sibrand Ubels, Director, DDK Commercial Interiors

Manufactures commercial office furniture, including workstations, tables, desks, credenzas and bookcases, with 90 employees.

“The Regional Export Assistance Program helped us to clarify what we have to do to export. It assisted us to eliminate some options and focus on others that would be more beneficial.

We had already done quite a bit of work on best practice manufacturing, and this program was a wonderful tool for reinforcing what we had learned in a more practical way. The information relating to the manufacturing side was particularly useful – financial controls, warehousing, best practice procedures, quality and innovation. It taught us to integrate our activities and systems properly. As a result we’ve implemented new monthly financial systems and warehouse controls. And we are looking at other issues on a continual basis.

The site visits to other companies really assisted our staff at all levels to learn more about best practice in systems, stock control, features planning and standard operating procedures. It’s useless to have all the knowledge at the top of the organisation. Involving key people from across our business meant they became aware of the issues involved too.

Our aim is to gain a certain market level in Australian then to expand by exporting. But we know now that we have to make sure all our systems are in place before we attempt to sell internationally. Then we will get the product, promotion and pricing absolutely right before we do a full international marketing plan.

As facilitator, Paul had good, sound manufacturing background and presented material in a practical and pragmatic way. I would highly encourage other companies interested in exporting to take part; it is one of the best programs I’ve attended. NIETL/NORTH Link have done an excellent job.”

Laurie Ryan, Managing Director, Skyrange Engineering

Manufactures steel frame windows for domestic and commercial markets, with 12 employees.

“Different aspects of the program were very useful for us. For example, the need to have appropriate systems in place before we export. We now have a plan from which we can get the ball rolling. It’s been an expensive and time consuming procedure, but we’re happy now that we can see how it will directly benefit us. Guest speakers showed us how to properly present a product to a potential overseas market – and what not to do. Market research is quite an expensive undertaking, but I can see now that it saves money and effort in pursuing an unsuitable customer base. Many small tips we took on board will help our local marketing too, particularly in product presentation, handling customer enquiries and following up.

Halfway through the program our business suffered a severe downturn in work. Based on what we’d been learning about marketing, we developed and implemented a distribution plan for our brochures. The result was that we are now overloaded with work – it was very successful.

Paul, the program coordinator, has an enormous amount of experience. He really understood our business and was quick to pick up on our difficulties and limitations. Input from La Trobe University on personnel issues was good too. Greater communications with employees is something we’ve focused on a lot more since we completed the program.”

Benefits as Identified by Participants

Participants were asked to identify the main benefits provided by the program. Their comments are summarised as follows.

- The knowledge of what is involved in starting up and carrying out an export contract
- Networking opportunities with other participating companies that are at different stages of an export program to learn of their experiences
- Governments funding assistance available
- What aspects of the operations to consider when doing a business plan for export
- Program has clearly helped to identify areas to concentrate on, ensuring it has developed appropriate procedures for export, understanding customer base, implementing plans specific to export & ensuring that the people are ready for the increase in demand
- Exposure to the many different facets of exports
- The information on exporting will be used to increase the company export focus in future years
- Need to have "the house" in order before export begins
- Going through the process of preparing an international marketing plan has made us look seriously at ourselves, we are now confident that we can export successfully
- A definite & positive impact on our business and we're very excited about expanding our horizons
- It taught us to integrate our activities & systems properly. As a result we've implemented new monthly financial systems & warehouse controls
- The site visits to other companies really assisted our staff at all levels to learn more about best practice in systems, stock controls, features planning & standard operating procedures
- We know now that we have to make sure all our systems are in place before we attempt to sell internationally
- The process emphasised to us the importance of "Getting it Right" so that these risks can be minimised
- Through the NIETL/NORTH Link Export Assistance Program we've been able to clearly identify the strategic planning and resources required to approach the industries in which our product finds its application
- The program emphasised the importance of stream lining our production capacity before trying to put an export strategy in place, we know that we have to be able to handle it professionally and not go in half-baked
- Speakers in the program covered a diverse range of topics, they gave us a balanced look at how to prepare well before going into export or expanding an existing export base
- Networking with other participants in the program was also very beneficial, I enjoyed exchanging information with people in similar situations
- Market research is quite an expensive undertaking, but I can see now that it saves money and effort in pursuing an unsuitable customer base
- I realise now you can't run a business by the seat of your pants, you have to know where you are going and plan
- The program has clearly helped identify areas where we will concentrate on, ensuring we develop appropriate procedures for export

Program Methodology



The Regional Export Assistance Program

The program, through workshops, guest lectures, group interaction, networking and industry tours provided participants with international knowledge and experience in world's best business practice initiatives

A ten-month timetable was developed, listing a wide range of business topics. It was conducted over twenty four meeting of two hour duration. Organisations were then encouraged to put into practice what they had learned and to contact the facilitator with any queries or to request a site visit for more in-depth advice and assistance. Each participant was encouraged to bring to the meetings other staff members and many took advantage of this opportunity. Over the whole program, there was a participation rate of 78%, a satisfactory result given that the participants were senior managers with varying and constant demands on their time.

The program topics focused on the various factors that a firm needs to assess and evaluate before considering entering export markets.

EXPORT PROGRAM TOPICS

STUDIES AND MEASURES

Government Services and Funding Assistance

Austrade

Neville Lambert,
Regional Trade
Commissioner –
Northern

Rob Wuchatsch,
Assistant Manager
Export Market
Development Grants

Tony Burchill, Trade
Commissioner
Indonesia

AusIndustry

Tom O'Lincoln,
Assistant Director

Foreign Affairs & Trade

Annabel Anderson,
State Director

The workshop informed participants about Federal and State Government programs aimed at supporting Australian enterprises with innovation initiatives and funding assistance to achieve a competitive edge in foreign markets including:

- International services and overseas post locations
- Going international brochures
- Export Market Development Grants (EMDG)
- Export Finance & Insurance Corporation (EFIC)
- Commercialising Emerging Technologies (COMET)
- R&D tax concession
- R&D start grants and loans
- Tradewatch, online economic & trade information
- Automotive Competitiveness and Investment Scheme (ACIS) import duty credits
- TCF strategic investment program

Victorian State Government Business Growth Support and Subsidies

Department of State &
Regional Development
Rob Chandler,
Regional Manager

- Generic diagnostic report and business planning
- Innovation program – technology strategy
- Export assistance – market planning
- Overseas trade fairs, trade missions
- Investment attraction
- Enterprise improvement programs

Market Entry Analysis

The Market Intelligence
Company
Angela Orsaris,
Managing Director

A market research/entry analysis is necessary in order to identify an export opportunity and assess the potential market for a given product in a defined region/country. A comprehensive, accurate analysis on which to base an export marketing strategy includes:

- Essentials for international market entry
 - Know your market: market size, knowing about major competitors, competitive advantages & growth rates
 - Products & pricing: compete on total value not just on price, technology level & product reliability
 - Advertising & sales promotions
 - Selling & distribution: achieve reasonable balance of customers, review sales and distribution areas
- Common pitfalls in marketing
 - Making decisions based on inadequate information, inadequate research of the market
 - Pitching prices too low, inadequate margins
 - Expanding sales of the least profitable products
 - Expanding sales with insufficient working capital
 - Allowing excessive credit to slow payers
 - Staying too long in declining markets
 - Becoming complacent when all seems to be going well
- Market research
 - Determine the supply-chain/route to market
 - Government regulations, taxation, duties
 - Country culture, lifestyle, legal issues
 - Ability to pay
 - Market size, growth rates
 - Competition levels, market share, positioning
 - Pricing, discounts, rebates
 - Packaging, labelling, logistics
 - Ongoing support, technology, promotional levels, customer satisfaction, product range

Management/Business Improvements by Creating a Balanced "Scorecard" and a World of Quality Standards

World Class Quality
Pty Ltd
John Adamek,
Principal Consultant

Total competitiveness depends on continuous improvements and quality programs. Initiatives that clearly define company objectives/targets to be achieved over a specific time. The need to develop authority and responsibilities towards:

- Leading Indicators: performance drivers that focus on time, quality, price, service, expenses, training and technology
- Lagging Indicators: outcome measures that focus on profits, sales and cash flow

"Improved performance begins with knowledgeable people"

- A world of quality standards
ISO 9000:2000 – most common standard
ISO 14000 – environmental management systems
QS 9000 – automotive standard
SA 8000 – social accountability standard
ISO/TS 16949 – new automotive quality management system
- The balanced "scorecard"
The financial initiatives perspective – financial measures
The customer perspective – customer needs & satisfaction
Internal business process respective – performance indicators
Learning and growth perspective – organisations, people & infrastructure
- Australian business excellence framework
Leadership and innovation
Strategy and planning processes
Data, information and knowledge
People effectiveness
Customer and market focus
Processes, products & services

"Companies can no longer expect average quality to impress prospective customers. Quality is merely the ticket into the game"

Trade Finance, Insurance and Export Documentation

ANZ Bank
Neville Woolley,
Senior Trade Services
Manager

The workshop on trade finance, insurance and documentation provides information on "how to" reduce the risks from export transactions. Unless it is tightly controlled and managed, export will undoubtedly increase the risk of financial loss. Factors to be considered include:

Trade Finance, Insurance and Export Documentation continued

- Payment methods used in international trade
The recommendations are that all sales should have a formal agreement between the parties, payment terms must be clearly stated and terms of trade also be clearly stated in accordance with **Incoterms 2000**. For additional information on Incoterms 2000 <http://www.iccwbo.org/incoterms/understanding.asp>
- Payment methods that maybe used
 - Prepayment:**
payment prior to shipment of goods ensures minimum risk for exporter but reliant on absolute trust of both parties
 - Letter of Credit:**
irrevocable written undertaking issued by the bank to effect payment for goods in exchange for specific documents relating to the shipment of goods. The advantages for the exporter are: irrevocable immediate cash flow and offer exporter credit terms without impacting on credit lines
 - Documentary Collection:**
banking system used to collect debt. The advantages for the exporter are: discipline placed on collection of the debt, assist cash flow, retain control over goods and no credit lines required by buyer. The disadvantages are: no guarantee of payment and lose control over the goods
 - Open Account:**
terms extended to buyer, usually up to 180 days. Maximum risk for the exporter and is reliant on absolute trust of both parties based on longstanding relationships
- EFIC Debtor Risk Insurance
Exporters face many risks, from transport to contract risks, currency risks to payment and finance risks. EFIC's role is to provide products and services which assist exporters to manage the payment risks and finance risks in exporting
- Bank Country Risk
Banks and countries around the world have differing financial strength, letters of credit are only as good as the bank that stands behind them; countries can impose exchange controls, the bank representing the exporter can mitigate this risk by "confirming" the letter of credit or negotiating "without recourse"
- Documentation
 - Commercial invoice** – contain enough information to identify the cargo (i.e. shipping marks and description) and indicate the terms of trade
 - Bill of lading** – issued by the forwarder, setting out the conditions of carriage, a receipt for the goods and document of title
 - Packing list** – lists the precise contents for shipment, facilitates customs clearance
 - Certificate of origin** – required for duty and import control purposes
 - Quarantine declarations** – as to packaging materials, fumigation certificates and nature of goods

Logistics Supply Chain Management

BFG Consulting Group
 Kevin Frayne, Partner
 John Beatty, OBE,
 Partner
 Jeremy Gilleard,
 Partner

Logistics supply chain management focuses on internal and external optimisation of materials flow, information flow throughout the organisation and information from suppliers to customer requirements

An effective supply chain methodology can provide a major source of productivity and value adding as both contribute to a lower cost profile by reducing waste

- The objective of supply chain management
 Reduce costs, improve customer service, flexibility, lead time reductions and improved supplier relationships
- Supply Chain Benefits
 Improved delivery performance, inventory reduction, increased productivity, reduction in handling, managing suppliers, faster customer order response, better transportation performance, improved utilisation of facilities and improved accuracy – getting it right first time around

Empowerment, Leadership Culture, Employee Involvement & Commitment

Ford Motor Company
 John Kelly, Employee
 Training Manager
 La Trobe University
 Dr Timothy Bartram,
 Lecturer

Employee involvement in export programs is essential. Management need to share the company export plan and establish clear objectives, timing, targets and setting responsibilities

- Employee empowerment – greater power of authority, proactiveness, self sufficiency & greater input in decision making in the work area
- Team building and problem solving techniques through teamwork, communication and interaction
- Creating natural work groups – striving for continuous improvements, accountable for the day-to-day operations they enhance job satisfaction, provide improvements in quality and productivity and assist the company towards international competitiveness
- Training team leaders, supervisors and leading hands to be accountable and develop a leadership culture in the organisation

Research Innovation and Technology Strategy

Invetech Operations
 Dr Colin White,
 Director – Innovation &
 Technology Strategy

The workshop focused attention on identifying the most effective value-chain proposition, defining the technology commercialisation process, innovation initiatives and product/process to enhance competitive advantage and market positioning

- Commercialisation strategies
 Marketing and distribution
 Brand premium
 Design premium
 Product technology

Research Innovation and Technology Strategy continued

- Value chain proposition
Commercialisation strategy
Market & technical assessment
Route-to-market
Minimising financial risks
- Innovation
Competing on quality & features
Focus on competitive advantage
New idea generation
Improved processes

Manufacturing Innovation

Invetech Operations
Dr Jon Hodson,
Director –
Manufacturing
Innovation

The manufacturing innovation workshop emphasised the importance of maximising quality and productivity. Exporters must have the ability to be responsive to changing market trends, have manufacturing systems with flexibility and team autonomy in all work performed areas

- Challenge ahead for Australian businesses. “The rapid changes and increasing customer demands will force change in the way we do business in the future”
Integration of human/technical resources
Transformation of information/knowledge in decision making
Near zero defects & waste
Rapid reconfiguration to meet changing needs & opportunities
- Manufacturing excellence
Flexibility
Responsiveness to market change
Innovation & continuous improvements
Technology drive & value added
Global participation strategy
Long term focus rather than quick profit returns
Process stability

Capturing the Voice of the Customer

PD-Net
Kate Hawkins,
Business Development
Manager

The workshop focused on how to obtain knowledge of customers and market needs and how to set design targets to exceed the competition

- Voice of the customer – how do we obtain it?
Focus groups, surveys, web & email, interviews, analytical methods, concept testing, customer requests and informal discussions
- Observation – product and service, real value to the customer analysis and how to set new design targets
- QFD Roadmap – define project scope
- Benchmarking competition – use a benchmarking matrix to prioritise how you will exceed the competition
- Method of assessing customer satisfaction and how to fulfil customer expectations

E-Business, E-Commerce

Webscan Internet Marketing
Rob Beck,
Managing Director

Electronic commerce for export transactions, business promotions, access to new markets and general trading via the internet is increasing rapidly both in Australia and overseas, providing businesses a wide range of benefits to customer service and increased productivity

- E-commerce provides a wide range of benefits
 - Cost reductions
 - Value adding
 - Speed and accuracy
 - Accountability
- Stages of e-business web sites
 - Static
 - Interactive
 - E-commerce enabled
 - Integration
- Key outcomes in the use of e-commerce improvement in business process
 - Increased productivity – a) Electronic Funds Transfer (EFT), increased efficiency in the bills payable/ receivable mechanism & reducing staff involvement
 - b) Request for Quotation (RFQ), reduced the time & effort in preparation of RFQ packages making the process more reportable & manageable
 - Reduced costs, streamlining of processes and leveraging of buying power and reduced personnel time dealing with routine enquiries
 - Better access to existing and new markets improves the servicing of existing customers as well as increasing the potential customer base. Time saved in ordering and shorter delivery times, by reducing the manual intervention and effort to complete and fulfil a sale

Enhanced interaction with suppliers & customers, supply chain management reduced time spent in communication through better awareness of each others business requirements

International Marketing Plans

La Trobe University Graduate School of Management
Dr Hernan Riquelme
Prof Geoff Durden,
Professor of Marketing

An international marketing plan is an essential requirement for setting export objectives and to gather information about the proposed market choice. The plan will review all aspects of business resources, capabilities and analyse our competitive position. Writing an international marketing plan provides a total review of company export readiness: financial, capacity, resources and capabilities

- Financial: Investments and expenditures must be included in the Annual Business Plan
- Capacity: Be certain that your manufacturing capacity and supplier support will meet the predicted increase in volumes
- Resources: human resources, skill base, motivation and values on adequate range of products & services
- Capabilities: international quality, delivery on-time, lean manufacturing and research innovation technology

International Marketing Plans continued

- The content of the marketing plan must address
 - External international factors**
Environmental analysis of the potential markets including sensitivities, product & marketing choices, distribution networks, size of the market, competition, economic risks, tariff & non tariff barriers and political issues
 - Internal analysis**
Company organisational and manufacturing factors, production/process capabilities, capacity, technology, facilities, flexibility, quality management time, understanding the required commitment for success
 - Identify opportunities & critical factors**
Analyse strengths & weaknesses, opportunities & threats, building relationships, know the strengths of your competitors and the business environment
 - Market choice**
Select a stable and strong growth market with minimum barriers and a competitive advantage in technology and price

Total Business Excellence Model

NIETL/NORTH Link

- Total Business Excellence Model
This model lists major business activities that need to be operating efficiently within a company to ensure that policies, business plans/strategies and standards are understood and practised by the management team and all employees. It emphasises the importance of having a realistic business plan and summary of monthly financial and operational reporting that measures results and implements new actions when necessary. The need to conduct a three year strategic plan to analyse the necessary steps to meet the objectives and needs of the export market. Identification of key goals and assumptions with a timing plan and allocated responsibilities are also stressed as critical steps
- Key performance indicators (KPI's)
 - Financial measures – financial results, profit margins, expenditure, cash flow, payroll & inventory
 - Internal process – measures production output, equipment effectiveness, bill of materials, delivery performance and quality costs
 - Customers & markets – market share analysis, customer needs & satisfaction, major competitors and the new prospect sales
 - Learning perspective – attention to organisational structure, training & skills, leadership culture
- Basis for growth – analyse and review market/customer positioning identify how to increase market share and competitiveness e.g. value adding, joint venture partnerships & innovation

Case Studies and Presentations from Local Enterprises – Export Journey and Achievements

Kevron Plastics
Kevin Chambers,
Managing Director

Tronics International
Ben Bornstein,
Export Manager

- Case studies from local enterprises outline the importance of good preparation, research the targeted market/country, adequate resources and assess capabilities. Other important steps are:
 - Participate in trade fairs & exhibitions
 - Obtain government assistance & support
 - Establish close links with agents that understand the market & culture
 - Be well informed of the market needs and exceed major competitors with better designs, quality & price competitiveness
 - Maintain close contact with prospective customers
 - Maintain good records of all transactions and developments
 - Select the best products technically and quality sound
 - Develop marketing plans, assess capacity
 - Be patient and don’t push too hard

Industry Tour World’s Best Practice Manufacturing

Autoliv Australia
Cheryl Woollard,
General Manager,
Human Resources

The purpose of the industry tour to Autoliv Australia was to obtain first hand knowledge of world’s best business practices including:

- Lean manufacturing methods
- Technical excellence
- Employee participation through team leaders
- Just-in-time supply-chain management
- Export expansion and strategies

Key Observations:

- Team leaders and natural work groups
- Housekeeping, safety, cleanliness & pride
- Operator process instructions for all critical processes
- Information boards reporting on quality, efficiency, all important matters
- Machinery in excellent condition
- Good floor plan & work flow
- Employees have good control of activity and responsive to corrective actions
- Customer focused, responsive and with flexibility
- Packaging and labelling clearly identifying materials, products & customers

Interactive Regional Group Meetings

- Small groups of 8-10 firms in close proximity to their place of business. The purpose of the informal gatherings was for enterprises to make contact with each individual member of the export program and role model companies in the region that are successfully exporting, also to meet program reference group members, the economic development representatives of their respective local councils, Austrade was also represented. Discussions focused on local business information sharing in export development, support, achievements and other regional business matters. The outcome was that member representatives had a better knowledge of each other and encouraged ways of commencing business, and the possibility of sharing services and expertise, increasing sales opportunities, sharing experiences and spreading overheads and other fixed costs.

Seven interactive groups were formed:

- Hume – Campbellfield & Tullamarine (2)
- Banyule & Nillumbik – Bundoora & Eltham (1)
- Darebin – Preston, Northcote & Heidelberg (2)
- Moreland – Brunswick & Coburg (1)
- Whittlesea – Bundoora & Thomastown (1)

Selection & Recruitment of Firms

A brochure was produced outlining the program and its aims, and distributed to all NIETL/NORTH Link network members. Articles were also placed in local newspapers promoting the program's objectives and benefits. These calls for expressions of interest resulted in thirty six applications to join the exports program.

A selection process resulted in thirty two companies participating in the program. Each organisation then went through an interview process to ensure that they were aware of the significant commitment that would be needed to successfully complete the program, this resulted in several organisations withdrawing. By May, the number of participants had settled at twenty six, all of whom went on to complete the program.

Participating Businesses

COMPANY	CORE BUSINESS
Wolf Engineering & Millwright	Manufacturers & agents – grinding, fluting & new roller mills for grain
Techni-Turnkey Automation	Design & manufacturer of automation systems, materials handling &
Holroyd Engineering	Manufacturers & distributors of trailer parts as well as the
DDK Commercial Interiors	Manufacturers of commercial office furniture, workstations, tables,
Lantor of Australia	Manufacturers of non-woven fabrics & industrial textiles
Skyrange Engineering	Manufacturers of architectural steel windows for commercial &
Highmark Shoes	Manufacturers of emergency services, special purpose military &
Protran Technology	Manufacturers of power transformers for power electronics &
Vantico	Adhesives, coatings, electrical insulation materials
ATR Industries	Design & manufacturer of ducted vacuum units & multi-web
Westbreen Equipment Service	Design & manufacturer of a range of clamps, wiring clips &
BarMed Australia	Manufacturers & distributors, electromedical equipment, surgical &
Touchcorp	Designers, manufacturers & distributors of touch screen systems
Selnit Australia	Manufacturer of circular knitted fabrics, polyester sports fabric, fine
Food Process Engineering	Manufacturers of food processing equipment & engineering
Anthony Bearings	Design & manufacturers of bearings & associated componentry,
Nicotra Australia	Manufacturers of direct driven centrifugal fan systems
Britex Metal Products	Stainless steel fabricated products refrigeration cabinets & displays
The Original Juice Co	Manufacturers & distributors of premium quality fresh & long-life fruit
Zantek	Manufacturers of first-class switch boards & automation panels
Ross Cosmetics Australia	Leading Australian contract manufacturer of cosmetics & toiletries
Contech Engineering	Conveying, elevating equipment, systems & material handling products
Purgon Engineering	Design & manufacturer of automotive components, gear boxes, high
Whitley Marine Industries	Manufacturer of hand crafted family cruisers & fishing boats
CMI Operations	Design & manufacturer of multi-stage pressings, blanking components
Super Hi Soft	Exporting agent to India – opening international trade connections
ACEBSI	Exporting agent to West Africa – opening international trade
Austsaw	Manufacturers of precision saws & cutting tool specialists
Sintec	Manufacturers of sintered metal products, filters for flow control &
RND	Importer – wooden products, education, children’s room decorations
Mason’s Pallet Company	Manufacturer of wooden pallets

Mentors

The project also recruited fourteen exporters from the northern region of Melbourne with the These companies acted as mentors to program participants, provided case studies and made

COMPANY	CORE BUSINESS
M Brodribb	Industrial battery chargers, transformers, inductors & converters
Diesel Allied Industries	Diesel engines, services & spares
Edlyn Foods	Cordial, toppings, fruit juices & cake mix products
The Memoirs Company	Design & manufacturers of Australia’s finest quality wedding, social &
Alustain Fabrications	Outdoor chairs, furniture, stainless steel products
Heather Brae Shortbreads	Shortbreads, tarts, cookies, slices & shortcakes
Fueltrat Australia	Fuel treatment, injection cleaning & boiler cleaning
Great Expectations	Baby traveler, portable baby changing station
Colonial Farm	Manufacturer & market value added, quality frozen meat, poultry, fish &
Food Process Engineering	Manufacturers of food processing equipment & engineering consultants
Kevron Plastics	A quality manufacturer of key tags, luggage tags & accessories
Tronics International	Design & manufacturer of pressure sensitive labelling machines
Techni-Turnkey Automation	Design & manufacturer of automation systems, materials handling &
Autoliv Australia	Manufacturer of seatbelts, airbags & other safety technology to the

Regional Export Assistance Program 2001

	CONTACT NAME
& flour machinery	Karl Wolf
high pressure water jet cutting machines	Mark Bini
reconditioning of torque converters	Jim Holroyd
desks, credenzas & bookcases	Sibrand Ubels/Daniel Keas Gary Willson
domestic industry	Laurie Ryan
industrial footwear	Terry Swain
telecommunications industry	Tom Jovanovski Gerard Laffan
construction module	Anthony Ribaric
brackets for automotive, whitegoods & electrical industries	Gwenda Byron
sheer support stockings & tights, splints & supports	Peter Barrett Peter Bolanis
buttons, buckles, compression mouldings, printing & industrial rollers	Jeffrey Bird
consultants	Robert Ham
conveyor equipment & drives	David Esler/Tony Furina Silvano Andreoli Cam Risstrom
juices	Gino Vescio Andreas Taubitz Donald Ross Rob Bates
pressure valves, LPG valves & fittings	John Russell Neville Whittlely
for automotive, building & whitegoods industry	John Bramley/Sam Gangemi Paul Rajan
connections	John Sandy Anthony Ball
protection of pressure regulators	Paul Shepherd
Exporter – children's products, birthday cards	Daya Silva John Mason

knowledge of international markets needs.
presentations of their export journey and achievements.

	CONTACT NAME
	Richard & Bernadette Brodribb
	Ian Burke
	Andrew Donelly
corporate invitation stationery	Chris Houlihan Brett Morrison Bassam Wakim Mark Weber Caroline Kouts
vegetable products	Gerry Barber/Mara Hartmann Bryant Ham Kevin Chambers Ben Bornstein
high pressure water jet cutting machines	Mark Bini
Australian automotive industry	Cheryl Woollard

Industry Tour

Autoliv Australia, Campbellfield

Host Cheryl Woollard, General Manager Human Resources
James Cornwell, Industrial Engineering Manager

Date 25 September 2001

Company Statement

Autoliv Australia is the leading manufacturer of seatbelts, airbags and other safety technology to the Australian automotive industry.

Based at Campbellfield and employing 556 people, Autoliv Australia is a subsidiary of Autoliv Inc, the world leader in occupant safety systems. One of 60 manufacturing plants in 26 countries, the Australian operation is the key research and development centre in the South East Asian region. It incorporates an on-site crash test facility and supplies Klippan Safety Products for the after and retail markets.

Autoliv has one hundred percent of the seatbelt market within Australia and supplies airbags to both Holden and Ford. Autoliv Australia is building a strong export market, predominately to Korea. Exports now make up approximately 40 percent of Autoliv Australia’s business.

Autoliv aim to continue to build on their core strengths of technical excellence and lean manufacturing. They aim to establish long term partnerships with their customers, providing technical support in all aspects relating to car occupant safety and have introduced products related to crash avoidance as well as injury reduction in their ongoing endeavours to increase automotive safety in Australia.

Autoliv Australia has won many awards for excellence including:

Toyota Supplier of the Year 1996.

FCIA Supplier of the Year 1994, 1995.

GM Worldwide QSTP Supplier of the Year 1994, 1995, 1996, 1997, 1998 and 1999.

QS 9000 accredited 1996.

ISO 14001 accredited 1999.

The Autoliv Tour

Purpose

Autoliv Australia is a leader in manufacturing excellence and a major exporter in the northern region of Melbourne. An excellent role model for export participants to obtain a first hand knowledge of world’s best practice manufacturing operations and technical excellence; employee participating in the workplace; logistics – supply chain management and “how to” establish and build long term partnerships and a sustainable export business.

Benefits

Participants learned first hand how Autoliv achieved its market share milestones in both the local market and increasing export success. Autoliv core strengths are international marketing strategies; technical excellence; lean manufacturing methodologies; world quality standards; and employee empowerment through team leaders controlling production outcomes and the supply-chain process.

The tour illustrated the Total Business Excellence Package in practice.

Key Lessons

- Team leaders and employees are totally supportive and involved in the company decision making
- Housekeeping, safety, cleanliness & pride is visible in all areas
- Individual small work groups for each product group with total accountability
- Operational instructions for all critical processes at each work point
- Information boards reporting on all important matters – quality, efficiency and a summary of outcomes
- Packaging & labelling are excellent, identifying clearly all materials, product models, customers & quantities
- Machinery and production equipment all in excellent condition and maintained
- A good balance of automation for critical processes plus manual operations for others, thereby limiting the risks of overcapitalisation
- Good floor plan work flow and material supply-chain systems
- Customer deliveries four per day to local customers and daily for interstate
- Frequent intakes of supplier deliveries keeping inventory at low levels and reducing the need for storage space
- Strong focus on leadership and employee development programs
- Technology excellence in product design, production process and testing facilities
- Management and production employees with control of key performance indicators and responsibility for any corrective actions necessary
- Employees with pride in achievements e.g. sales growth, local market share, export growth, quality trends and winning many industry/customer awards for excellence
- Strong focus on continuous improvement programs and maintaining or improving their competitiveness
- A business with customer focus, responsiveness, flexibility and providing on time delivery

The visit to Autoliv Australia was extremely successful and valuable to all participants and demonstrated world's best practice manufacturing through employee involvement. Although Autoliv is a large organisation, their business approach to small work group concepts and team leaders can be applied in small to medium sized companies.

Regional Role Models of Export Success

Companies from the northern region of Melbourne that are successfully exporting contributed to the program through sharing their experiences and successes in world markets. A summary of their exporting achievements and presentations are listed below:

Kevron Plastics Kevin Chambers, Managing Director

Kevron is an Australian family company founded in 1952, located in Church Street, Brunswick Victoria and a quality manufacturer of key tags, luggage tags and accessories. Having captured a high level of the domestic market share, export activities have always been high on Kevron strategic plans, reaching \$4 million in export sales by 2002.

The Kevron team have a strong domestic and export ‘vision’, committed to business excellence and servicing customers globally. Export achievement by Kevron is the result of on-going and applied efforts to develop direct contacts and strong regional relationships through participating and exhibiting at trade shows world wide. Kevin said, *“If you are to be a successful exporter, it is imperative to become a good leader with an unrelenting commitment to achieving your goals”*.

Four important criteria are followed by Kevron:

- Is it a better design than any competing product in the market place?
- Is it priced better than the competition?
- Is the quality equal or better than the competition?
- Finally, can the vendor meet the customer’s service expectations?

If you do not have at least three of these four points in place then you should not take your exporting efforts any further until they are.

To these four points, Kevron follows the old adage of “sticking to your knitting” or in management terms, maintaining a very focused niche marketing strategy.

Kevron took twenty years to do the first million in export sales, but the following three million have been achieved in less than eight years. Considering the key tag product is at the low price end it emphasises how important it is to “hang in there”. Kevin strongly suggests following the four “Ps” of successful exporting:

Preparation – staff training, domestic marketing, financial soundness

Persistence – long-term personal and financial commitment to success “never give up, never give up, never give up!!!”

Patience – maintain contact with your prospective customers, but be patient and don’t push too hard!

Pride – you are the best! You do it well and often and you are there to prove to the prospective client that you can satisfy their needs

Tronics International Ben Bornstein, Export Manager

Tronics is an Australian company founded in 1989 in response to demand for reliable, cost-effective, labelling equipment within the packaging industry. The company has grown steadily and relocated to a new, state of the art, manufacturing and R&D facility located in Northgate Drive, Thomastown Victoria.

Tronics manufacture state of the art pressure sensitive labelling machines, heat transfer decorators, leak detectors, unscramblers and specialised labelling equipment. They provide purpose-built machines to effectively serve a wide range of industries. Their extensive range of modular features place Tronics at the forefront of labelling innovation. The company has an international presence with subsidiaries in USA, South America, South Africa, Asian regions and Australasia with future expansions planned to Europe & the Middle East.

Tronics, a local company, began from home based premises in 1989 to quickly expanding 50% of its manufactured products to international trade. Their success comes from their integrated marketing strategies; innovative technologies; capability to produce machines that are cost/feature competitive and the ability to expand the range of products to continually meet customer requirements.

Tronics has developed a total workforce involvement that contributes to innovation and is directed towards international competitiveness.

Case Presentation

Ben Bornstein shared with participants the Tronics plan and strategy for international expansions and successful export outcomes

- Focus areas for export in Asia, South America & USA
- Establishment of Chicago office
- Participating in trade fairs regularly
- Obtaining government funding and support for export development, promotional marketing materials and exhibitions
- Strong emphasis on the importance of regional visits to meet with agents and end users to obtain a better understanding of markets & cultures
- Provide agents with regular up-to-date technical information and promotional brochures
- Provide agents with adequate discounts and rewards so that they push Tronics products rather than the competitors
- Quality packaging, critical to preventing damage of product during handling and transportation

The presentation from Tronics highlighted the strong focus on technology, marketing and quality that will continue to grow the company locally and internationally.

Diesel Allied Industries Ian Burke, Managing Director

A family company located in Brand Drive, Thomastown Victoria and a world wide supplier to the marine, transport, industrial & agricultural markets, Allied Industries are diesel engine and parts specialists with an extremely diversified customer base including fishing, coastal and inland passenger vessel services, trucking and haulage.

Case Presentation

The presentation addressed export success factors when "Exporting to Papua New Guinea". Ian mentioned the importance of understanding the country, the people, the local legal systems and the transport systems mainly sea & air. The country is mountainous and minimal major roads make it difficult for transporting goods, the competitors are countries such as Singapore, Japan and others in the region. Close customer service and attention to detail is extremely important "must be part of the family, if they prosper you prosper".

Successful Exporting Involves

- 1 Trouble free service to your clients
 - Send correct goods
 - Find out from your client which transport mode/company works best in their area
 - Understand how goods will travel. Either by air, sea or road
 - Make your own enquiries to determine flight/shipping frequencies
 - Pack accordingly
 - Use proper labelling
 - Proper documentation
- 2 Remember that your customer will rank you higher than your competitors if your goods arrive:
 - In good condition
 - Without the customer having to rectify errors/faults of your making
- 3 A clear understanding between yourself and your customer regarding payment terms

M Brodribb Pty Ltd Richard Brodribb, Managing Director

M Brodribb are power conversion specialist and design and manufacture industry battery chargers, converters, transformers and inductors. A local family manufacturing business, located in Cape Street, Heidelberg Victoria and employing twenty highly qualified and skilled people servicing power commissions, major electrical contractors, local, state and national government authorities, defence departments, railways, original equipment manufacturers and major projects in the mining, primary and extractive industries. The company has extensive design facilities, including custom written software programs and CAD drafting.

Case Presentation

Training Team Leaders to be Accountable

Richard said: “the company decided to implement a range of leadership culture programs in the organisation to spread through the company for a more pro-active and self sufficient work force in achieving its goals by putting forward new proposals that focus on improvements and development. The training program provided a wide range of operational performance improvements in the workplace. It also has relieved the senior management from daily incidents that in the past required strong attention. Now the management have time to attend to business expansions, local and export, and overall control.”

The Program established two structured work teams

1. Electronics Products
2. Transformers Products

The selected employees have fifteen years of service experience in production processes but not in overall planning and communication. Training focused on shop floor tidiness; power of authority; how to use their team members; create a more cohesive team; how team leaders provide leadership and directions.

Three major areas of responsibility:

1. Planning
 - plan the achieved targets
 - prioritise the jobs
2. Accountability
 - review the achieved targets
 - take responsibility and provide feedback
3. Authority
 - exercise their authority
 - team leaders make the important decisions 99% of the time
 - fix process problems and adjust the standards

Benefits of outcomes

Company wide improvements are visibly noticeable as the company is more responsive, quality has improved and employees have enjoyed being involved with the team concept. Management is satisfied with the successful outcomes and is now working in a more pro-active and self-sufficient manner through the ‘pull’ operational system. The teams are now assisting the organisation to achieve its business plan by regularly putting forward new proposals that focus on continuous improvements.

Techni-TurnKey Automation Mark Bini, General Manager

A local company located in Barry Road, Campbellfield Victoria and a specialist company that designs & manufactures automation systems, materials handling and high-pressure water jet cutting machines.

Case Presentation

The presentation focused on company export objectives by setting realistic targets in a most controllable manner. Export is growing rapidly, firstly Malaysia then South East Asia, a nearby region that is easier to monitor and maintain control. Larger markets e.g. USA and Europe are currently being pursued and these regions will provide extensive further growth, however, the company is constantly reviewing rapid growth against capabilities and financial resources to minimise risks. Although the company has a strong international focus, the Australian local market is constantly in the picture.

Mark also outlined the importance of regional export programs, networking with local enterprises and government funding assistance available through Austrade, AusIndustry, DSRD e.g. R&D Start Grants & R&D Tax Concessions.

He recommended that potential exporters implement a step-by-step release of products into the local markets. Obtain feedback and revise the product before moving to larger markets. Taking this approach will minimise the risks and potential problems.

Individual Assistance to Participants

During the program, each company had the opportunity to contact the facilitator for individual assistance. Most participants took up this offer, with many individual site visits and off-site meetings on the implementation of the Total Business Excellence Model

Mentoring assistance provided included:

- Preparing export contract agreements
- Identifying and selecting the best regions for attending trade exhibitions and fairs
- Establishing product costing, and preparing an export offer
- Analysing the most efficient production flowline and supply chain
- Identifying product suitability for selected export regions
- Establishing an effective reporting structure that encourages employee involvement and accountability
- Introducing realistic and measurable business plans and export marketing strategies
- Reviewing business performance achievements and implementing improvement measures
- Introducing an export checklist for preparing an export offer
- Setting new standards and encouraging improvements for a better company image including a clean and safe work area
- Encouraging firms to implement business performance software to assess financial options and implications when planning export expansions
- Selecting six export firms to participate in a DSRD funding program on "Supply Chain Logistics Management" to improve competitiveness through reduction of costs and improve customer service
- Assisting in the development of export offers to West Africa, matching buyers and sellers and opening trade connections
- Industry Tour to Autoliv Australia, thirty local firms had the opportunity to view and learn about world's best practice lean manufacturing pull-systems
- Interactive small group meetings, with other firms in their work proximity to develop business relationships, sharing knowledge and services
- Innovation workshop that focused on "Value added strategies and business diversification and export expansions
- Emphasising the importance of employee involvement in business activities, and encouraging management to share company aims and objectives with employees on a regular basis
- Providing assistance on "how to" implement the total business excellence framework and management information system performance measures

A “How to” Global Strategy for Exporting

The NIETL/NORTH Link network is concerned that many high potential companies lack the confidence to compete globally and the knowledge of “how to” implement growth strategies, resulting in missed opportunities

The program analysed business operations at the “grass roots” level with a view to identifying factors limiting exports. The approach was to provide participants with a “how to” global strategy for exporting including:

- How to select the best competitive product/services for niche markets
- How to compete on total value – quality, services, delivery, technology
- How to apply complete commitment
- How to identify market positioning & opportunities
- How to establish business plans & strategy plans
- How to methods of measuring and controlling business outcomes
- How to conduct market entry that provides the most competitive advantage
- How to select selling methods, insurance & documentation
- How to access government assistance support
- How to implement manufacturing systems that focus on zero-defects
- How to review capabilities & capacity
- How to ensure accurate pricing/costing against global conditions
- How to establish precise communication channels & reporting responsibility
- How to minimise financial risks
- How to enhance and build on the firms core competitive advantages over their major competitors
- How to understand the language, cultural differences, tariffs and non-tariff barriers, nature of banking systems, foreign exchange risks, price controls and legal system
- How to prepare a company brochure outlining company core strengths and competitive advantages
- How to access new market opportunities and analyse the basis for business growth
- How to identify and implement profitable opportunities including attention to financial, operational performance measures and cost control
- How to implement and review the four major key performance indicators, finance, process, market and learning

Program Evaluation



Workshops

On completion of the program, each participant was asked to complete a questionnaire that evaluated each of the workshop topics (and provide a rating). An average of responses found every workshop as 'very helpful' or 'extremely helpful'

	Not helpful at all	Somewhat helpful	Helpful	Very helpful	Extremely helpful	Firm's average rating
	0	1	2	3	4	
■ Austrade Exporting Information & Material	0	1	2	3	4	3.1
■ Export Market Development Grants (EMDG)	0	1	2	3	4	2.9
■ Victorian Government Enterprise Funding Assistance	0	1	2	3	4	2.8
■ Market Entry Analysis	0	1	2	3	4	3.2
■ Business Improvements and a World of Quality Standards	0	1	2	3	4	2.9
■ Trade Finance and Export Documentation	0	1	2	3	4	2.7
■ Logistics Supply Chain	0	1	2	3	4	2.9
■ Leadership/Empowerment & Organisational	0	1	2	3	4	2.8
■ Research, Innovation & Technology Strategy	0	1	2	3	4	3.2
■ Manufacturing Innovation	0	1	2	3	4	3.1
■ Case Presentation – Tronics International	0	1	2	3	4	2.8
■ Capturing the Voice of the Customer	0	1	2	3	4	3.3
■ Training Team Leaders, Supervisors & Leading Hands to be Accountable	0	1	2	3	4	2.8
■ E-business, e-commerce	0	1	2	3	4	2.7
■ Case Presentation – Kevron Plastics	0	1	2	3	4	3.1
■ International Marketing Plans	0	1	2	3	4	3.2
■ The Total Business Excellence Package, Setting Business Policies, Annual Business Plan, Executive Monthly Reporting & Strategic Planning	0	1	2	3	4	3.6

Company Benefits

On completion of the program, each participant was asked to complete a questionnaire that evaluated the program and its benefits to each company. An average of responses found that the ratings were very favourable

	Not helpful at all	Somewhat helpful	Helpful	Very helpful	Extremely helpful	Firm's average rating
	0	1	2	3	4	
■ I would recommend the Regional Export Assistance Program to other firms for participation	0	1	2	3	4	3.5
■ The program met its objectives	0	1	2	3	4	3.3
■ My firm is now better positioned to make export decisions	0	1	2	3	4	3.2
■ The program created awareness for my firm to be more market research driven and not just reliant on gut feeling	0	1	2	3	4	3.1
■ The program changed my firms approach when dealing with new products/market introductions/penetration	0	1	2	3	4	2.9
■ The program created awareness for my firm of international market needs	0	1	2	3	4	3.1
■ The program enhanced my firm's export capabilities & knowledge	0	1	2	3	4	3.2
■ My firm has a better international business/market understanding by participating in the program	0	1	2	3	4	3.3
■ My firm found the program very useful	0	1	2	3	4	3.5
■ The program format was satisfactory	0	1	2	3	4	2.9
■ The meeting location & time was satisfactory	0	1	2	3	4	3.1
■ The program created opportunities for my firm to make useful business connections	0	1	2	3	4	2.8
■ My firm will participate & support a Stage Two Regional Export Assistance Program "Expanding Export Opportunities Implementation Phase"	0	1	2	3	4	3.2
■ My firm is prepared to act as mentor and role model to a new Stage One Regional Export Assistance program in 2002	0	1	2	3	4	2.8

Through these questionnaires, participating firms reported that the program met its objectives, created the necessary awareness and enhanced their firms' export capabilities. Importantly, the firms are now better positioned to make export decisions with the knowledge gained on the steps necessary to reduce risks and maximise export success.

Project Outcomes

Each participating firm was asked to provide a brief summary of their business trends following completion of the Regional Export Assistance Program

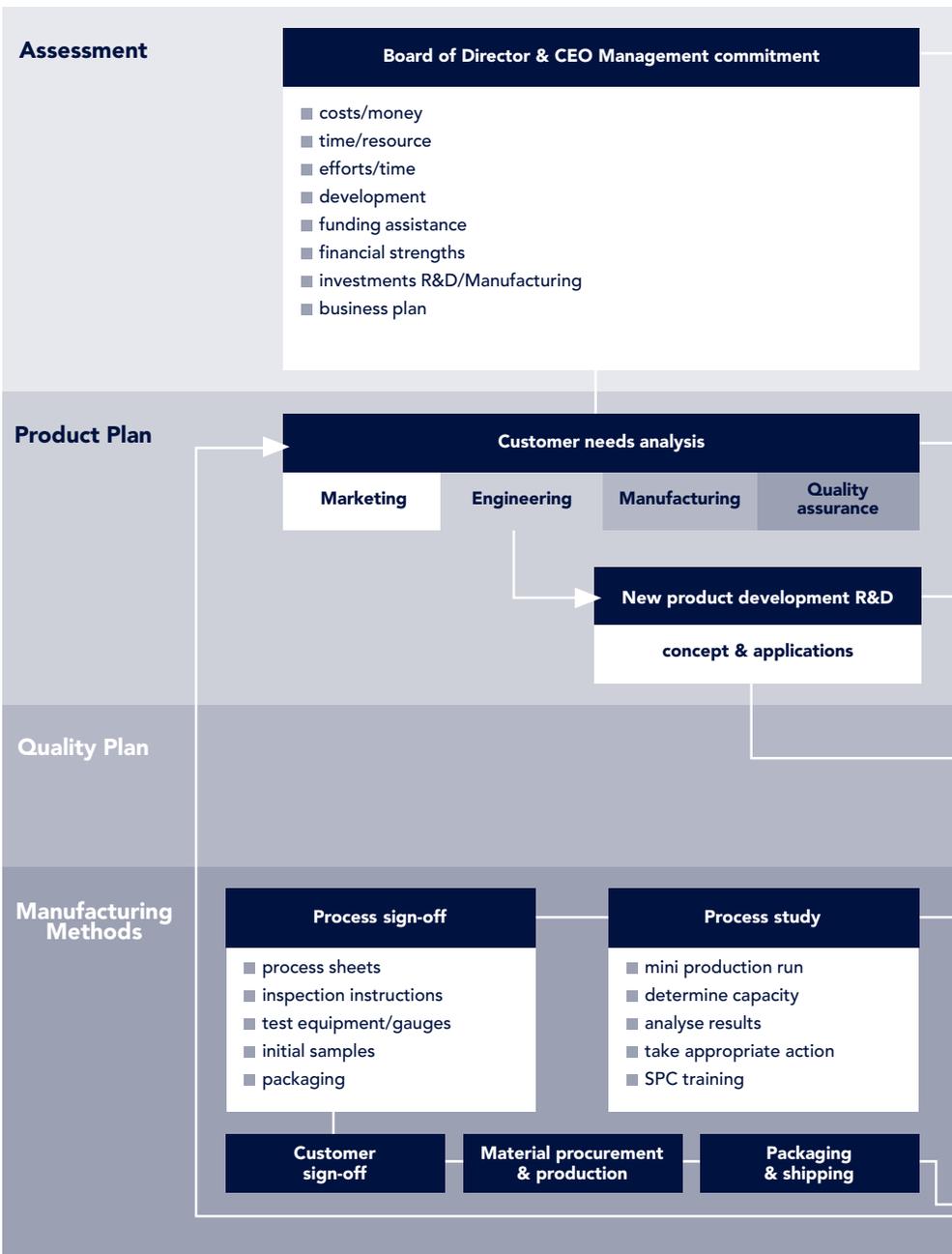
The results showing a positive trend in:

- A. Domestic and export sales growth is predicted to exceed \$6 million in 2002, twenty four firms have reported sales growth and seven firms predicted stable sales
- B. Employee levels: nineteen firms predicting 39 new jobs in 2002 in areas of management/administration, marketing/sales, technical areas and skilled & semi skilled production operatives
- C. Maintaining existing jobs: eleven firms reported stable employment in 2002

The program has provided participants with greater awareness and understanding to conduct business internationally and generate additional and sustainable business activity through partnerships and joint ventures. These positive outcomes will ultimately improve regional economy and generate an export culture.

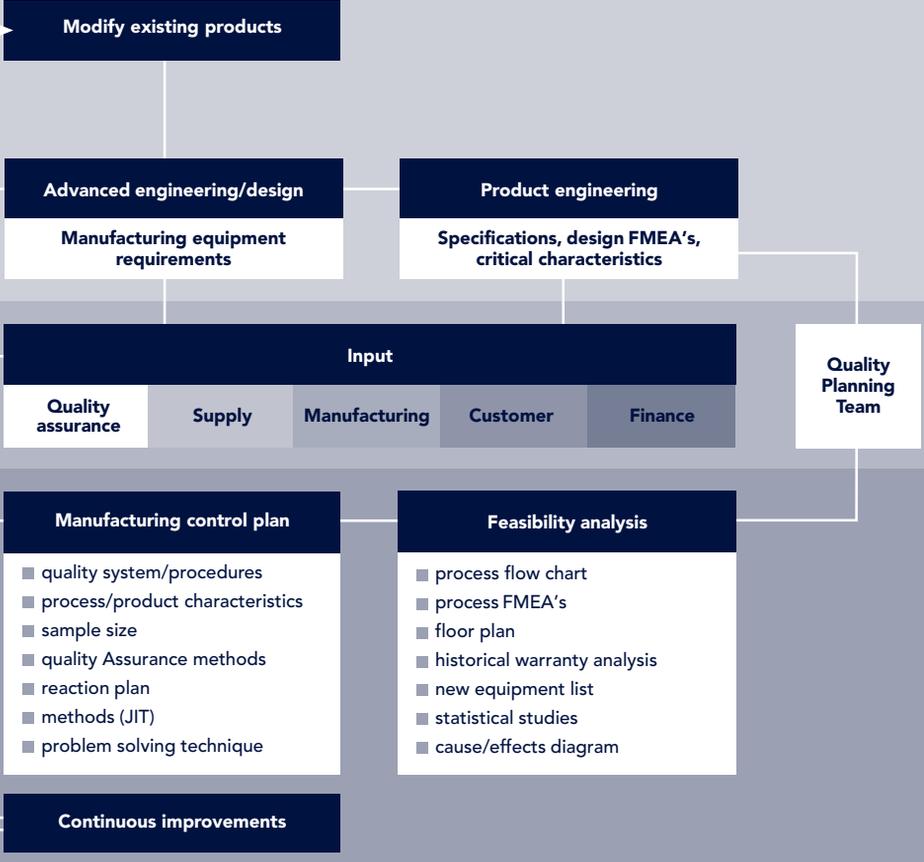
Attachments

Planning for Export: An Integrated





Model



Critical Steps for Successful Exporting

