

York and North Yorkshire
Local Enterprise Partnership (LEP)
Internationalisation Strategy

Report 02
Internationalisation Business Survey
Analysis and Case Studies
April 2021

For the York and North Yorkshire LEP
(managed by Enterprise Growth Solutions
on behalf of the Department for
International Trade)



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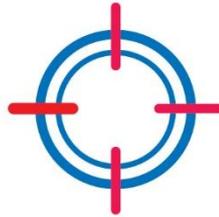
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Internationalisation Business Survey Headlines York and North Yorkshire*



TOP 4 CURRENT MARKETS

71% EU-Western Europe
53% EU-Nordics
49% EU-Eastern Europe
43% USA



TOP 3 TARGET MARKETS

11% Japan/South Korea
10% China
10% ASEAN countries



EXPORT SUPPORT

45% Do not need support
20% Clear exporting advice and guidance
8% Brexit-specific advice and guidance



EU EXIT EFFECTS ON EXPORTS

61% No difference
16% Export less
9% Concentrate on the UK market
8% Export more
4% Would look to overseas markets



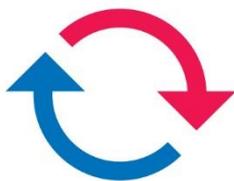
MARKET ACCESS BARRIERS ENCOUNTERED OR ANTICIPATED

53% Said no trade barriers
38% Barriers for goods
9% For services



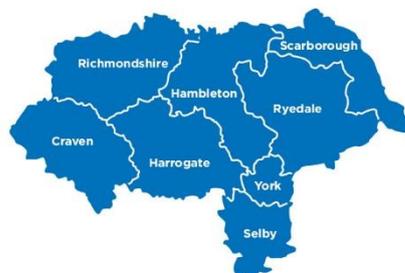
TOP 3 BARRIERS**

31% Brexit impact
17% Taxation costs
8% Customs procedures



FUTURE CHANGE

66% Brexit adjustments
52% Economic climate
48% Responding to Covid-19



69% Would recommend Y&N Y to other businesses and inward investors



BUSINESS ATTRACTIVENESS

63% Rate natural heritage as excellent or strong
62% Rate quality of life

*108 Y&NY businesses interviewed who trade internationally or are thinking about it (December 2020-January 2021)

**Of those who encountered or anticipated barriers

INTRODUCTION AND RESPONDENT PROFILE

This report is part of a wider Internationalisation Strategy for York and North Yorkshire LEP. It summarises the findings from a business survey that was conducted in December 2020 to January 2021.

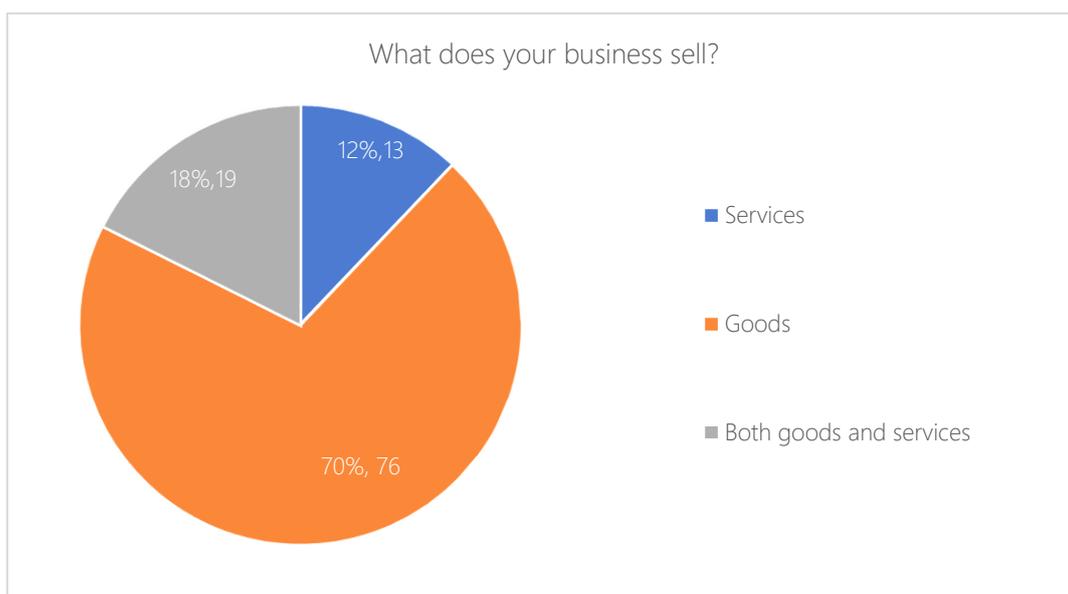
108 businesses were interviewed, including those with activities in local priority sectors:

- Food and Drink
- Agri-tech
- Bioeconomy

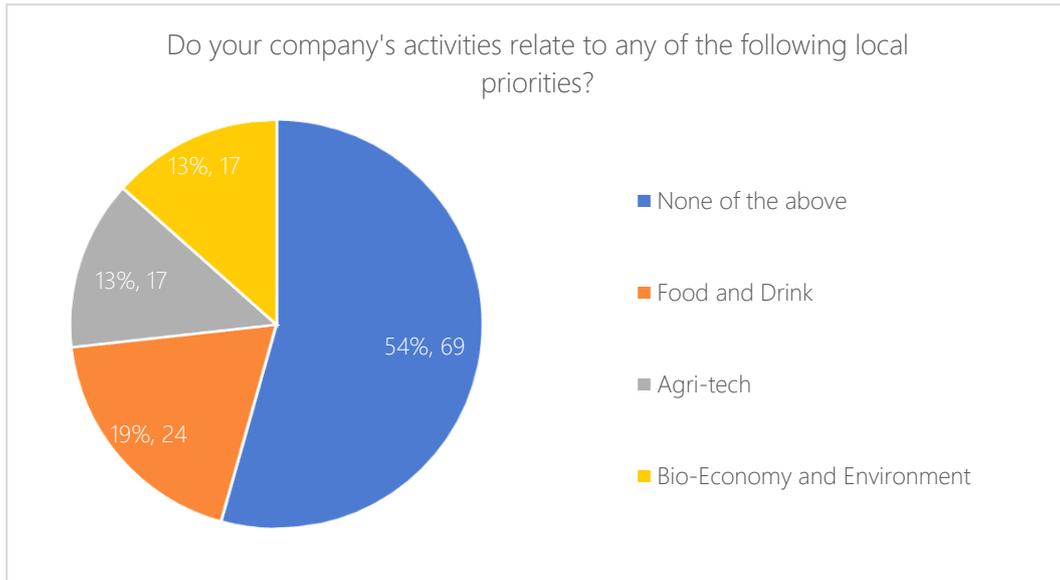
Appendix One provides a sectoral and local authority breakdown with size band and turnover analysis. The number of respondents equals 108 unless otherwise specified.

1.1. CURRENT POSITION

The majority of companies (70%) sell goods, whilst a further 12% (13 businesses) sell services, and 18% sell both.

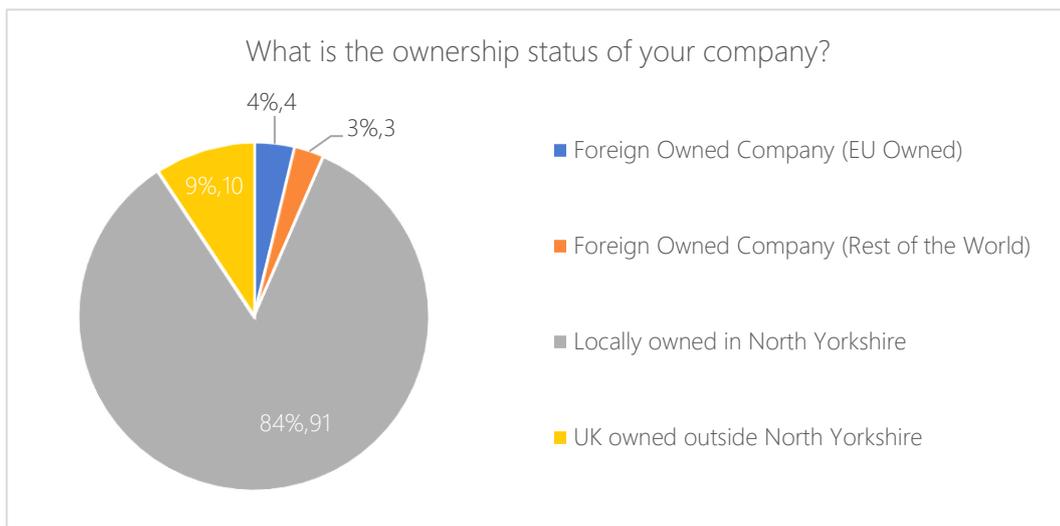


Just under half of the respondents (45%) undertook activities in the three LEP priority sectors, including 19% in the food and drink sector, and 13% in both agri-tech and bioeconomy respectively.



N=127 total responses as some of the 108 businesses had activities in more than one priority sector

The majority of respondents were from UK-owned firms (91 local companies, 84% and 10, 9% outside of the county). A small number of respondents were foreign owned, three (4%) in the EU, and a further three elsewhere. Three businesses have offices in the EU.

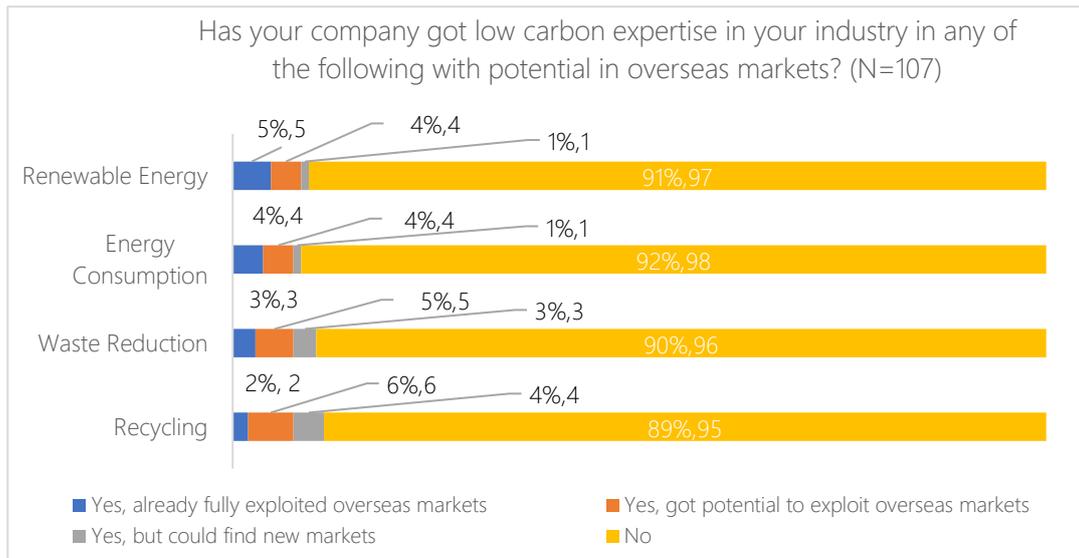


A handful of companies had low carbon expertise in their industry. Five businesses had fully exploited overseas markets in renewable energy, whilst four had exploited energy consumption. Between four percent to six percent of businesses commented that they have the expertise and the potential to exploit overseas markets.

"We are looking at plastic reduction, which you can go some way to achieving, but then it is impossible because we need to give them a bag which is sealed and gives them a shelf life."

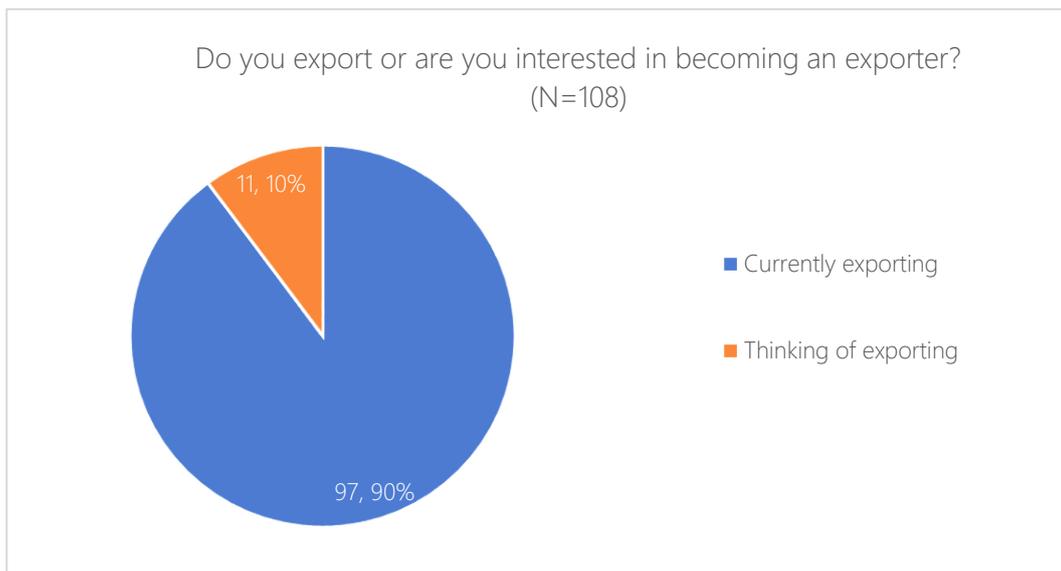
"It's a big part of our mindset because a lot of it is driven by our customers. We've been integrating a recycling policy for about 10 years now."

"You don't think about the web having a carbon footprint, but it does because the data centres run at 24 hours, the servers run 24 hours, there's backup generators and all of this infrastructure has got to have carbon impacts. We're now using devices that consume less power."

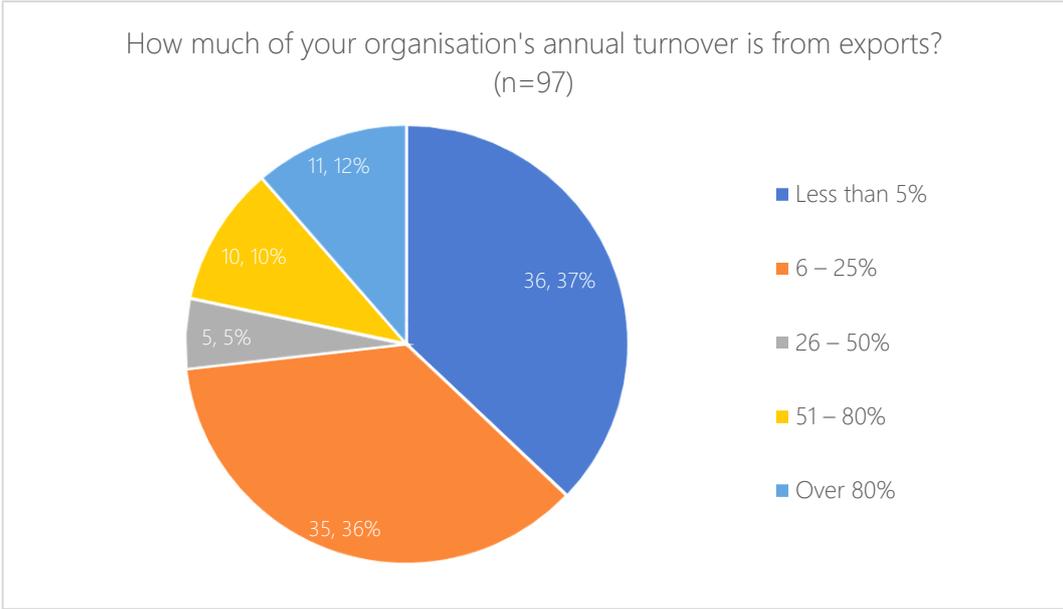


1.2. POSITION ON EXPORTING

97 of the respondents (90%) were currently exporting and the remaining 10% were thinking of exporting.

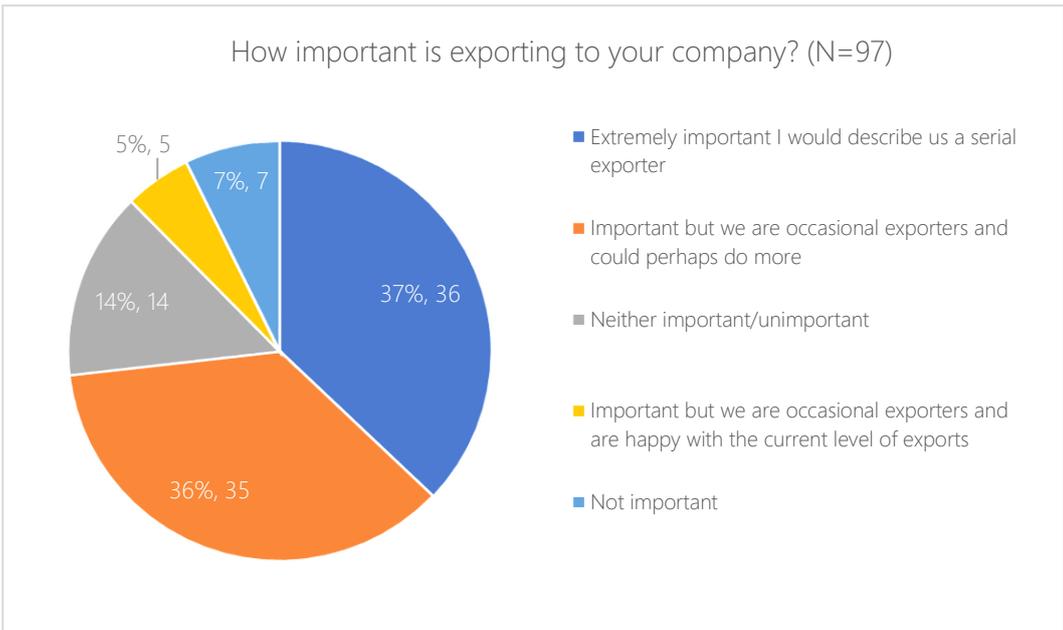


For over a third of exporters (35, 36%), exporting activities equate to between 6% and 25% of turnover, and for just over another third (36, 37%) it was less than 5%. For 11% of exporters, exporting activity generates over 80% of turnover ('born globals'), and for 15% it represented 26-80% of company turnover. For the three companies with over 250 employees, exporting generated up to 25% of turnover, whilst for SME's, turnover from exports reached over 80% for 11 companies (11% of the entire exporter sample).



37% (36) were serial exporters, 36% (35) were occasional exporters and could do more. Around a third of businesses in each of the priority sectors saw themselves as serial exporters and almost half (10, 48%) of companies with food and drink activities saw exporting as important and noted that they could do more (higher than the 35% of non-priority sector companies who believed they could do more). Only 7% of respondents believed exporting was not important for their company.

"We are occasional exporters and could perhaps do more – we need to be able to focus more and we are quite strapped for resources. Lots of ambition but finite resources."

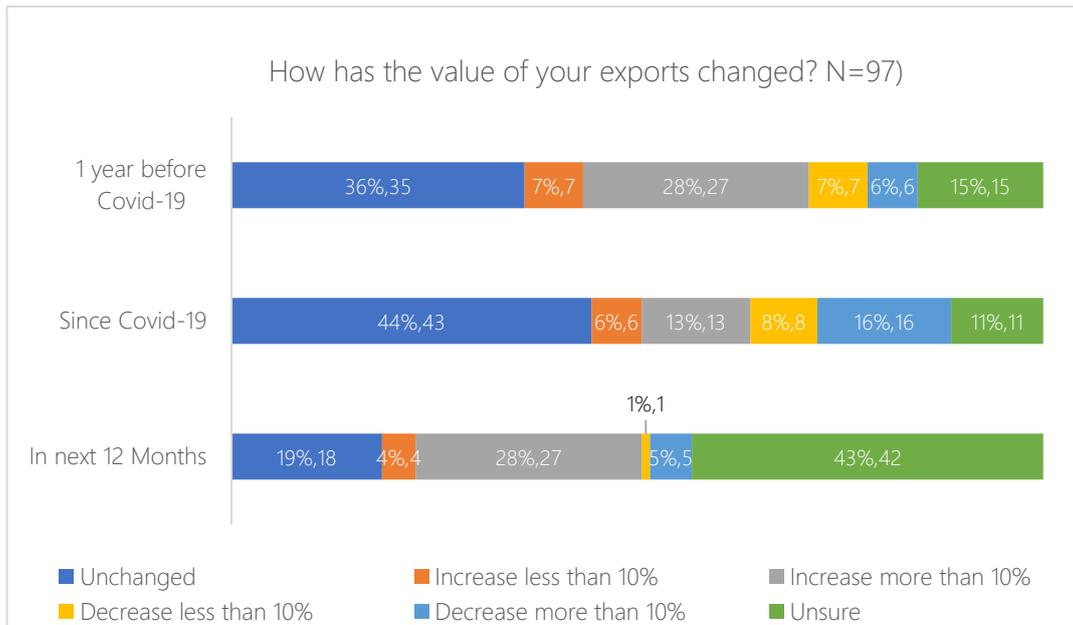


The top four current markets are the EU Western Europe, EU Nordics, EU Eastern Europe and the USA (71%, 53%, 49% and 43%). The top target markets are Japan/South Korea, China and ASEAN markets (11%, 10% and 10%).

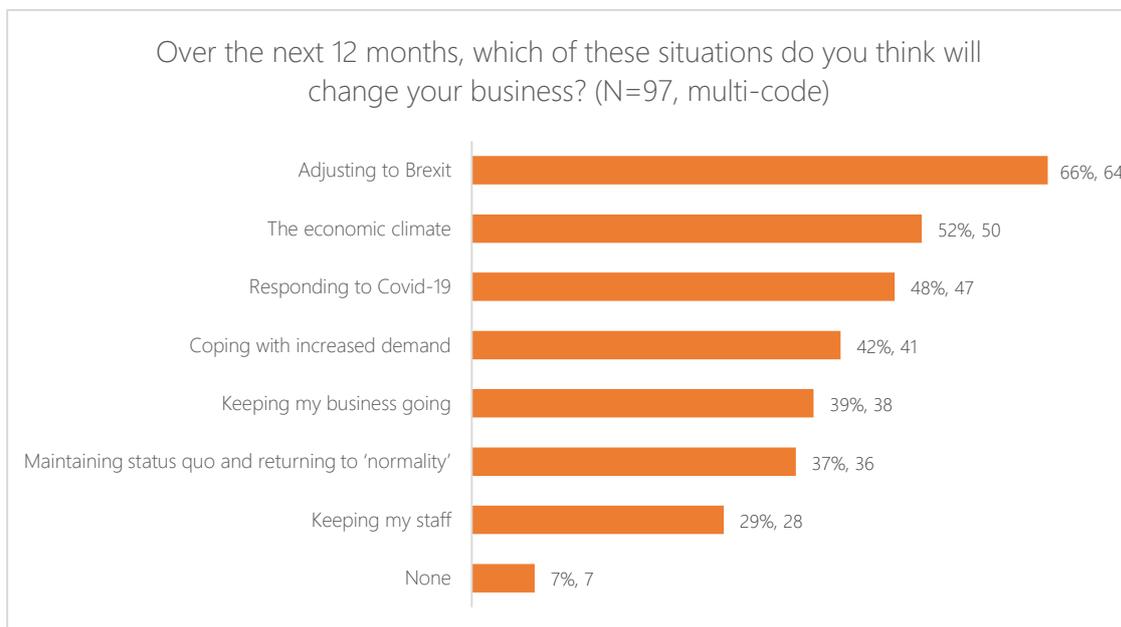


Prior to Covid-19, the value of exports remained unchanged for 36% of businesses and, at the time, increased by more than 10% for over a quarter of the businesses (28%). 15% were unsure and 13% noted a decrease in value. Since Covid-19, 44% reported that export value has not changed, though fewer reported an increase of more than 10% (one in eight or 13%). Nearly a quarter of exporters have experienced a decrease in export value (24%), though the situation is expected to improve over the next 12 months. The proportion increasing more than 10% is anticipated to return to pre-Covid levels. However, a significant proportion of exporters (43%) were unsure about the value of their exports in the next 12 months.

"Covid-19 is preventing us from delivering our services in a way in which can add the most value to our clients. We are unable to travel to clients to scope work out as we would normally do."



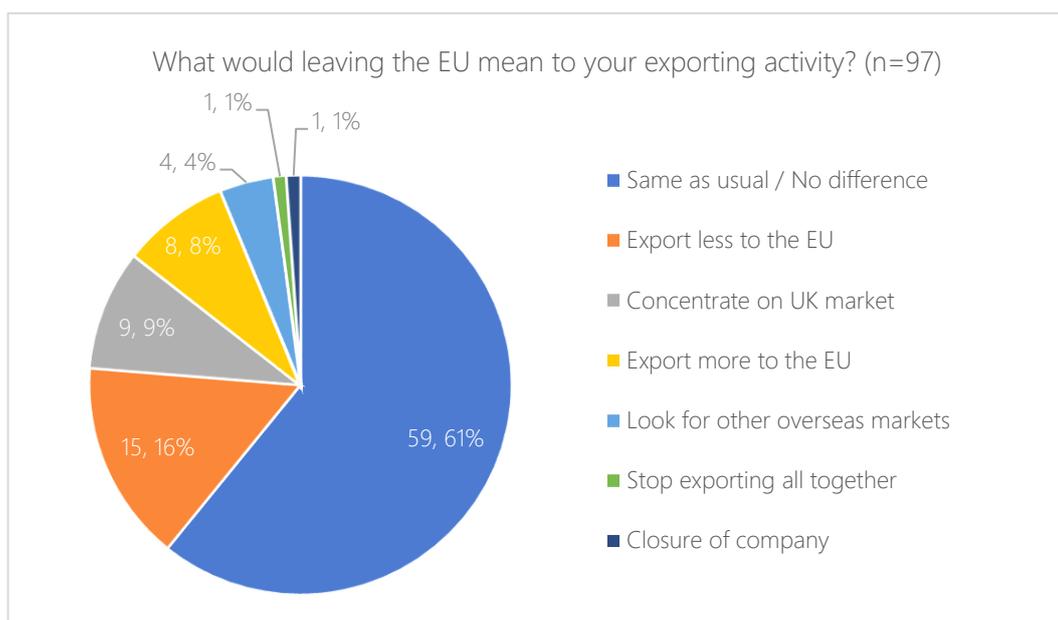
Brexit adjustments are the main reason why businesses anticipate business change over the next 12 months (two thirds of respondents (66%)). Around half of the respondents also listed the economic climate and responding to Covid-19 (52% and 48% respectively) as affecting business. Coping with increased demand (42%), business continuation (39%), and returning to normality (37%) were also cited.



The table overleaf illustrates that many businesses did not need support (45%), but one in five would like clear exporting advice and guidance (20%) and 8% would like Brexit-specific advice and guidance.

Export Support Requirement	%	No
None/NA	45%	44
Clear exporting advice and guidance e.g. requirements, regulations and paperwork	20%	19
Brexit-specific information and guidance	8%	8
DK/Ref	8%	8
Funding and financial expertise	5%	5
Knowledge of international markets	2%	2
Business Development	2%	2
Access to sector specialists	2%	2
Access to UK commercial officers and trade desks overseas	2%	2
Having a translator to help with exporting	2%	2
Other	2%	2
Introductions to customers/contacts abroad	1%	1

Leaving the EU would make no difference to 61% of the sample. Notably, within the sample three quarters (nine) of businesses with agritech activities suggested that it would make no difference for them- a higher percentage than for food & drink, bioeconomy and non-priority sector businesses who amounted to 62%, 58% and 59% respectively. 16% of the sample would export less and 9% would concentrate on the UK market. 8% would export more and 9% would look to overseas markets. 8% would export more and 4% would look to overseas markets.

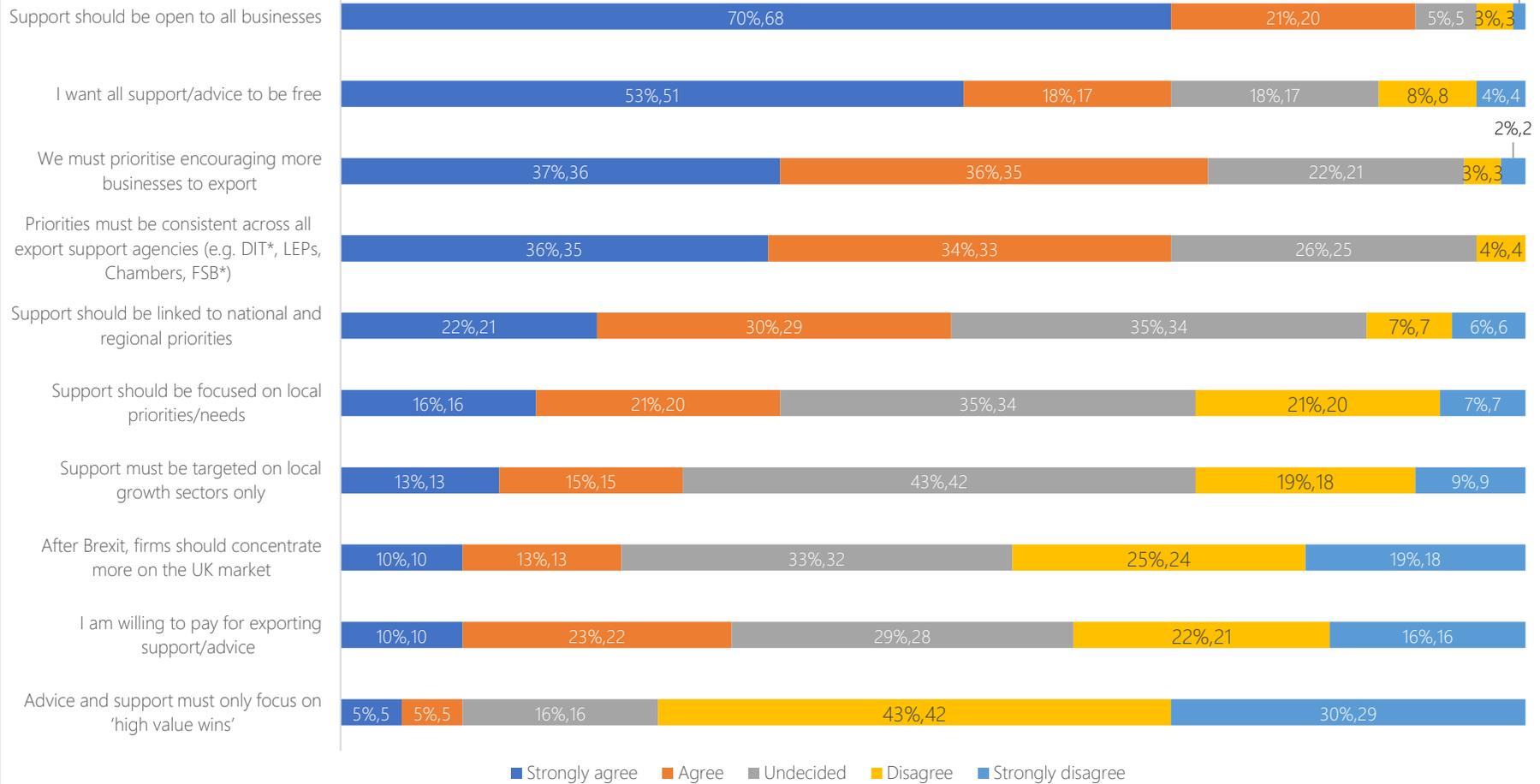


Looking at export advice and support, 91% strongly agree or agree that advice and support should be open to all businesses. 74% think encouraging more businesses to export should be prioritised and 71% would like free advice. 70% strongly agree or agree that priorities must be consistent across all export support agencies. 52% think it should be linked to regional and national priorities and 37% think it should be focused on local priorities and needs.

"We are open to new market opportunities and feel well placed as a flexible, very small business. But we have not had the resource to expand our overseas work. We would welcome advice on tax implications or any extra costs to provide our service in other countries not yet explored."

"A generic organisation like DIT or LEP is not enough. You need very specific knowledge and I'd rather talk to another company who are strong in exporting to a specific market who would know more about labelling or may be able to represent my business."

To what extent do you agree or disagree with the following statements on how export advice and support should be provided to firms?



BUSINESSES CONSIDERING EXPORTING IN THE FUTURE

Lack of capacity, regulations, lack of finance and unpreparedness were holding back those considering exporting (each mentioned at least twice).

Companies commented:

"We only supply to the UK at the moment, but we have companies who then export our goods, so it goes through a third party. I would like to start sending directly."

"Just because we are a new business."

The handful of respondents considering exporting would like general advice and mentoring (three responses), financial help and subsidies (two responses), support from sector specialists (two responses), and research into potential markets. Two businesses also commented that no support was necessary.

Businesses commented on the advice they wanted:

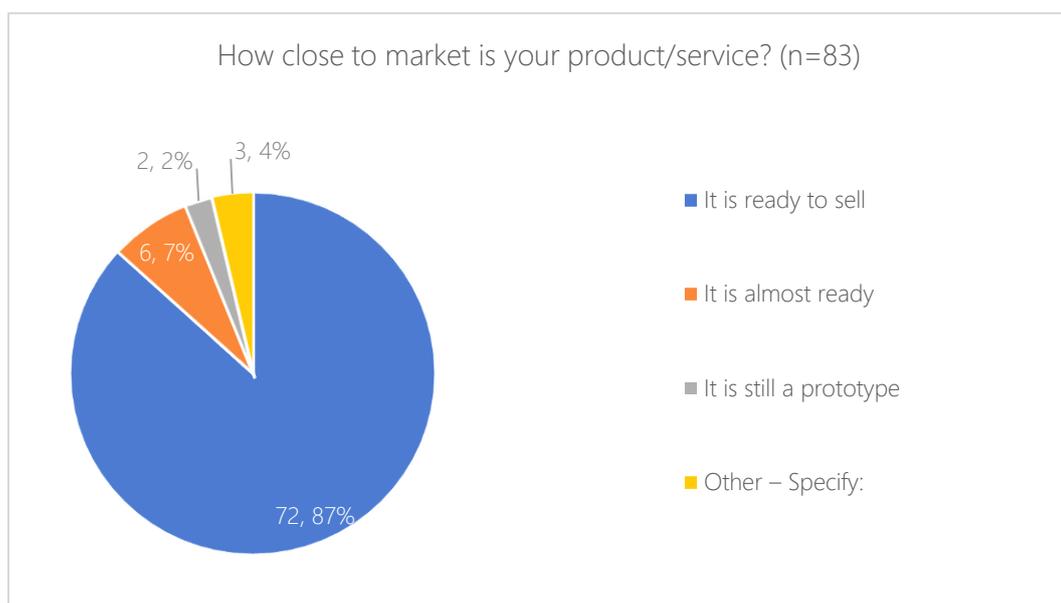
"Advice and research in potential markets in Brexit. [Help with} exploring potential markets in the market that I'm in."

"Help with everything really."

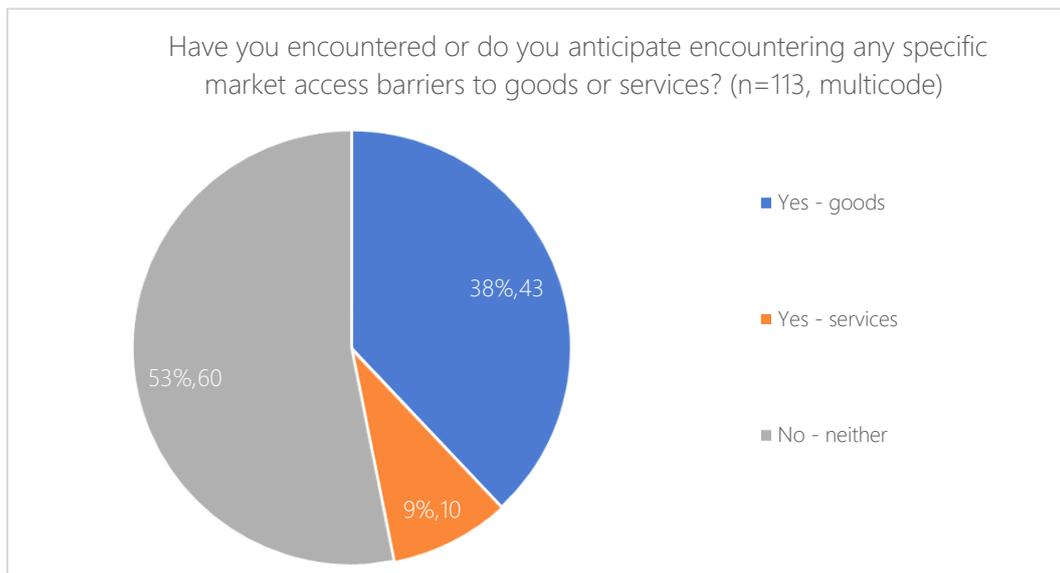
"Local knowledge and local contacts are really useful and some guidance on overall approach and where to focus."

1.3. THE EXPORTING PROCESS

72 businesses (87% of respondents to this question) have products or services ready to sell abroad (all respondents with turnover up to £499,000 have products ready to sell and a minimum of 80% of businesses with activities in the priority sectors have products ready to take to market. A further 7% of the sample have products or services almost ready to sell and 2% are at the prototype stage (both within micro-sized companies).



When asked if businesses had encountered or anticipate encountering any specific market access barriers to goods or services, just over half (60, 53%) said no. A further 38% (43) said that they had encountered or anticipate encountering barriers for goods, and 9% (10) for services.



Brexit impacts were cited by almost a third of respondents (15 responses, 31%) as the most common market access barrier. Other barriers mentioned were taxation costs (eight responses, 17%), customs procedures (four answers, 8%), international rules and regulations (four answers, 8%), and local presence requirements (three responses, 6%).

"We've got quite a lot of orders in at the moment, but shipping is particularly difficult. It even affected our shipments to the United States where we ship a lot to on a weekly basis."

"There's all the delays and admin issues. In Slovakia, it takes 24 hours by the time we've got all the paperwork sorted, so we've got loads sitting around in the UK that under the previous scheme with no barriers would have just been put on the road. "

"Before we had unified rules on specification of components between the European manufacturers say in Jaguar Land Rover. It's pretty clear that going forward, approving the performance of a component and its adherence to a standard will be far more complex."

Key	No.	%
Brexit impact	15	31%
Taxation Costs	8	17%
Other	7	15%
Customs Procedures	4	8%
International rules and regulations	4	8%
Local presence requirements	3	6%
Environmental, safety or quality regulations	1	2%
Import quotas or price controls	1	2%
Not sure	1	2%
Export Logistics	1	2%
Poor protection of IP	1	2%
Uncertainty/risks involved	1	2%
Restrictions on foreign entry or movement of people	1	2%

In terms of export advice, two thirds (66%, 71) of respondents believe online tools would be useful. Of those considering exporting, 73% view online tools as the most useful support and advice format. Advisor support and face-to-face help were also seen as useful formats of support delivery (by 17 respondents and 11 respondents respectively).

"One-to-one support and webinars."

"In written format online to read before calling."

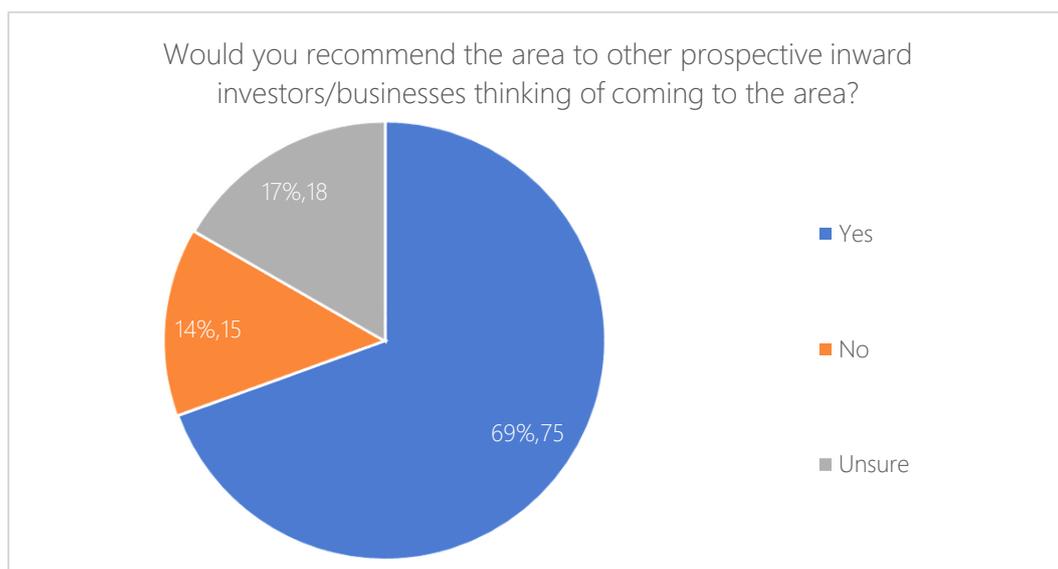
"I'm prepared to do some training. I feel like the branding and getting out there and the help with the logistics of exporting are all linked together."

"An advisor is probably out of our cost range. So we do it more by reading the right articles from people who deal with small businesses and going onto websites like the Land Revenue website, I've been talking to them and they've come back and said, 'oh you can do this'."

	Number of responses	%
Online tools	71	66%
Advisors	17	16%
Face-to-face help	11	10%
Telephone Hotline	6	6%
Articles	3	3%
Information events	2	2%
Videos	2	2%
Questionnaires	1	1%
N/A	23	21%

1.4. YORK AND NORTH YORKSHIRE AS A PLACE TO INVEST

Over two thirds of businesses (69%) surveyed would recommend York and North Yorkshire to other businesses and inward investors.



Businesses believe that quality of life and the area's natural heritage are attractive features for investors or businesses thinking of coming to the area (62% and 63% excellent or strong respectively). Other aspects identified include the quality of education, the quality of universities and research, and the accessibility and transport connections.

"Its main selling point is the quality of life. Companies settling here would enjoy the natural environment. Lots of farmland, National Trust places. It has universities and research institutions."

"It is a great place to work from with a brilliant quality of life. We work in Harrogate with great countryside. Yorkshire has a skilled workforce and strong service sector, with good rail links to the South."

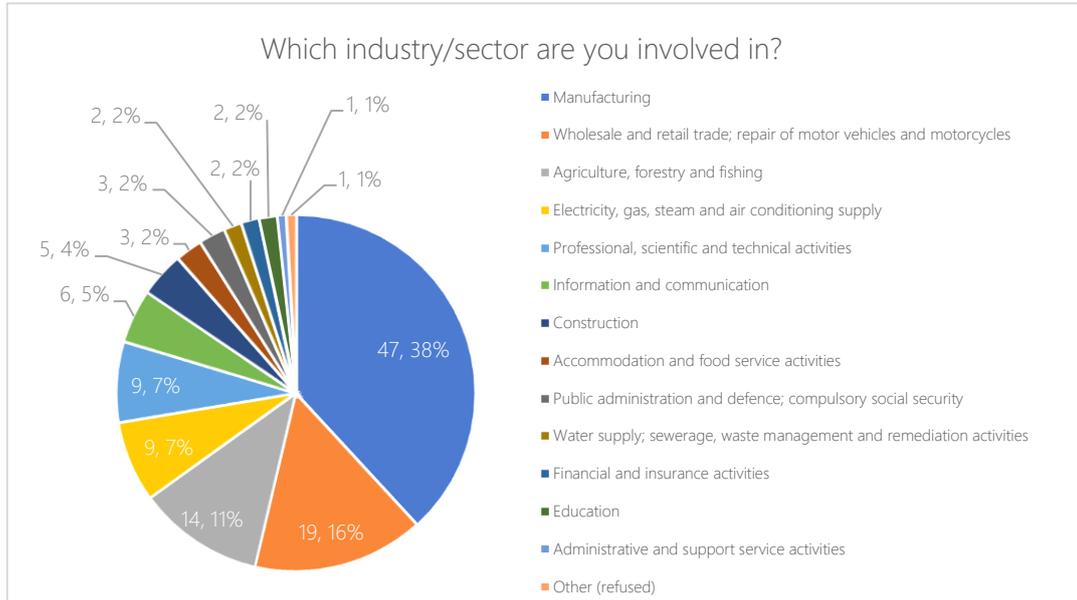
A full list of these ratings can be found in the chart overleaf.

Appendix Two contains some internationalisation case studies.

Aspects of the Y&NY LEP region	Average response	Excellent	Strong	Good	Fair	Weak	Very Weak	Do not know
Quality of Life	Strong	37%	25%	27%	7%	0%	0%	4%
Natural heritage		31%	32%	17%	11%	0%	0%	9%
Quality of education	Good	17%	21%	41%	12%	3%	1%	6%
Quality of universities and research		17%	20%	22%	17%	10%	1%	13%
Accessibility and transport connections		13%	12%	30%	20%	19%	2%	4%
Stunning architecture & high-quality accommodation		12%	21%	27%	19%	8%	2%	10%
Broadband connectivity for businesses		10%	19%	23%	19%	19%	4%	6%
Resilient economy with growth prospects		8%	21%	25%	25%	1%	1%	19%
Business support services		8%	10%	32%	24%	12%	1%	12%
Business premises	7%	13%	35%	30%	8%	1%	6%	
Diversity and variation cultural experience	Fair	6%	15%	20%	26%	15%	6%	12%
Skills and labour force		6%	21%	28%	26%	9%	3%	6%
Supplier proximity		6%	8%	26%	29%	17%	6%	9%
Low carbon economy credentials		5%	6%	19%	26%	16%	1%	27%
Customer proximity		4%	9%	21%	30%	18%	6%	13%

Appendix 1: Survey Respondent Characteristics

Sectoral Breakdown of Respondent Businesses



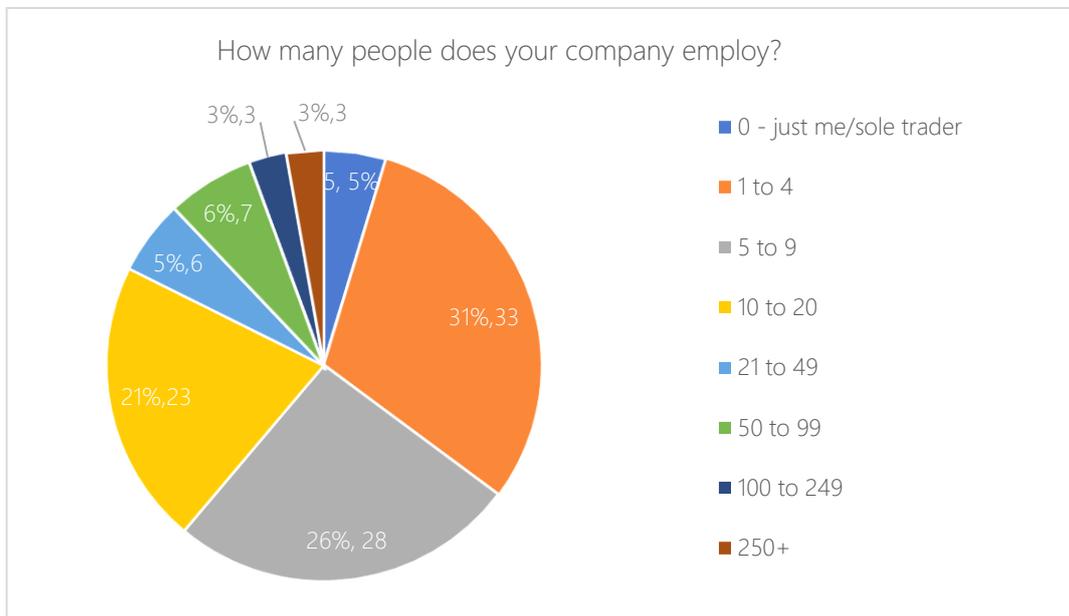
Kada Business Survey, n=108

Local Authority District for Respondent Businesses

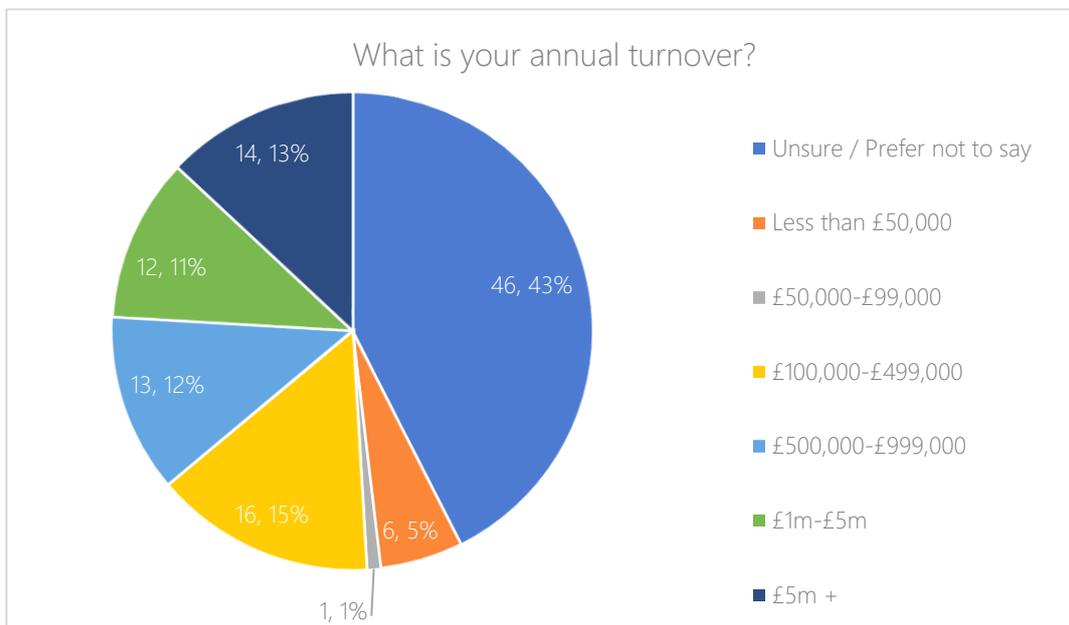
Area	Number	%
York	29	27%
Harrogate	22	20%
Hambleton	18	17%
Ryedale	14	13%
Scarborough	10	9%
Craven	7	6%
Selby	7	6%
Richmondshire	1	1%

Kada Business Survey, n=108

Business Respondent Size Band



Business Respondent Estimated Annual Turnover/Income



Case Study:

Seagrown–Yorkshire's Blue Green Future Appears On The Horizon



Seagrown is based in Scarborough on the Yorkshire coast. It has designed and developed a new seaweed farm which will ethically produce a sustainable, low carbon crop which can be used in lots of innovative ways – from biodegradable plastics, to a new source of pharmaceuticals, cosmetics, textiles, animal food additives and biochemicals.

The company was founded in 2018 by Wave Crookes, who has worked with the sea in different guises for over twenty years, together with partner Laura Robinson, a marine scientist. Originally focused on wild harvesting by hand, it soon became clear that to move to a more commercial scale footing investment would be needed.

The opportunity came up via a Coastal Communities Fund grant, which has allowed Seagrown to develop a custom-built rig to grow seaweed as well as withstand being battered by the North Sea all year round. This will be the UK's first commercial offshore seaweed farm with a size of 25 hectares, located 4 miles off shore. Wave hopes to be in position to harvest two or three times a year.

As part of the wider commercial development, Seagrown has entered into a partnership with the Yorkshire Wildlife Trust to produce seagrass seeds for rewilding projects, and has completed a trial funded by the Seafood Innovation Fund to cultivate Oyster and Scallop in cages, as opposed to dredging the seabed, which damages the marine ecosystem.

As well as industrial biomass applications, seaweed is considered a superfood full of nutrients. Many of its derivatives go into a wide variety of consumer products, including health and food supplements, speciality alcohols like rum and cosmetic and well-being products like mineral baths.

Seagrown has developed an exciting new range of seaweed food seasonings which are a fantastic way of adding serious flavour to food with an extra nutritional boost. Products include seaweed seasoning, salt alternatives and mineral bath salts – even a seaweed flavoured rum with local producer Yorkshire Explorer.



Seagrown's super-seaweed crop just needs the sun and the sea - no chemicals, fresh water, power or even land. Better still, it will absorb huge amounts of carbon and release oxygen into the water as it grows – making it good for industry and good for the environment.

The company also offers a bespoke consultancy service– ranging from advising on site locations and licensing, stakeholder assessments, environmental issues, marine facilities requirements, and site or vessel visits. A visitor centre and hospitality centre are being developed onboard the company vessel Southern Star in Scarborough harbour to educate special interest groups about the marine environment.



Whilst C-19 has hit the company's customers including professional caterers, farm shops, and high-end stores like Selfridges extremely hard. Although this has led to a significant drop in Seagrown's revenues, Wave is quite used to stormy waters.

He can see green shoots starting to appear and said confidently "we just need to steady the ship and get the finances sorted, start to increase our revenue as we expand our offshore farming operation and then we can look at new export markets"

Although Brexit has also posed a few challenges for Seagrown in terms of bringing in supplies from France with additional paperwork and resource needed, Wave is eyeing the EU as potentially the first calling point in overseas expansion. In particular, he sees Scandinavia as having good export market potential given the amount of salmon farming, and other biomass markets where there will be demand from large food and chemical companies.

Longer term and on the retail side, he can see the attraction of international markets such as Asia where he could trade on a premium branded, high quality, clean, ethically and safely sourced ticket to differentiate from local competitors. The US, Canada as well as Australia and New Zealand are also under consideration.

Seagrown are members of Circular Yorkshire which is focused on driving the York and North York region towards its net zero targets. Wave hopes this group will help him raise the profile of seaweed as a potentially useful carbon reduction tool and that in the future seaweed may be used towards carbon credits.

Wave concluded by saying, "I think the low carbon agenda the region is pursuing will help attract new companies that want to be part of the wider UK circular green and blue economy, especially those that have the resources and vision to put real money on the table to support that."

Case Study:

Anglo American – Sustainable Mining



Anglo American plc is a leading global mining company with headquarters in London, England. It is one of the world's largest producers of platinum, as well as being a major producer of diamonds, copper, nickel, iron ore and metallurgical and thermal coal.

It provides the metals and minerals that enable a cleaner, more electrified world and that meet the fast-growing consumer-driven demands of the world's developed and maturing economies. It comprises 95,000 employees with operations in the UK, Australia, Latin America, China, India, Singapore, and South Africa.

Anglo American acquired Sirius Minerals plc in 2020 including the rights to the Woodsmith Project, which consists of a new mine, south of Whitby in North Yorkshire, and transport, processing and shipping facilities at Teesside.

This investment was part of a shift in the strategic direction of Anglo American to move towards metals and minerals that support a growing global population and a more sustainable world. The mine will produce polyhalite, a naturally occurring mineral containing potassium, sulphur, magnesium and calcium, four of the six key nutrients required for plant growth.

It will be sold for export as a low chloride, multi-nutrient fertiliser (known as 'POLY4') suitable for organic use that can boost crop yields and aid more sustainable farming. The project area contains the largest, highest grade resource of polyhalite to be found anywhere in the world, amounting to some 2.69 billion tonnes, giving the mine a potential lifespan of at least 30 years.

With an estimated 9 billion people on the planet to feed globally by 2050, demand for food is forecast to rise by 60%, whilst land available for farming is forecast to decrease by 15% due to over-cultivation and deforestation. Concerns over future global food security are mounting, and thus the market prospects for Anglo American look very strong.

The polyhalite material is extracted from a seam in the ground at a depth of 1600m and transported twenty-three miles underground to Wilton International



on Teesside. Anglo American have acquired purpose-built land and facilities to receive, process, transport to harbour-front and ship the product all over the world.

The POLY4 product is certified for organic use and has an extremely low carbon footprint compared to other more traditional fertilizers. The company is running agri-science and R&D studies across the globe to assess its performance and contribution to crop and food yields, as well as the effects on land sustainability.

Currently in construction, the Woodsmith Project has already provided over 1000 jobs in the locality and many more in the supply chain, and thus the contribution it has made and will make to the local and national economy is significant.

The market for polyhalite is global and the company estimates that once the mine is up and running in the mid-2020s, it will produce over 10 Mtpa of POLY4, 98% of which will be in exports from Anglo American's Crop Nutrients business, based in Scarborough.

Looking ahead, this will certainly help reduce the UK's balance of trade deficit! Markets such as China the US, Europe, Africa and Latin America all represent substantial, long term global opportunities. The company recognizes the excellent support provided by the local authority and the LEP, and looks forward to further positive engagement with HMG to support their global trade and investment ambitions.



EU exit has not caused any significant issues for the project apart from a few minor delays on equipment coming in. More of a challenge has been the disruption to working practices resulting from C-19. Having said that, construction continues to progress.

The project has been designed, built and developed the project with sustainability its core. The aim for all local stakeholders is for the Woodsmith Project to leave a long-lasting positive contribution to the boroughs of Scarborough, Redcar and the North York Moors National Park and wider region.

Case Study:

Masons of Yorkshire – 'Who Dares Gins'



Yorkshire's first gin, Masons of Yorkshire, was born on World Gin Day in 2013. Founded by Karl and Cathy Mason, the husband-and-wife team have spent the last seven years creating a premium gin from premises now at Leeming Bar near Bedale in North Yorkshire.

Masons of Yorkshire was started with a simple mission; to create a different gin, not just a different label, and to produce gin the way it should be, with more character, more flavour and uncompromising quality - Yorkshire's original and most awarded gin.

The company supplies some of the most prestigious bars, restaurants and hotels across the UK to ensure that their gins are enjoyed in the very best way. Customers report that Masons gins taste great with premium Indian tonic creating one of their best loved signature drinks, Masons G&T.

Mason's has developed highly original and flavoursome recipes that inspire gin lovers worldwide to enjoy the drink. Tea edition, pear and pink peppercorn, original, English lavender and orange and lime leaf are amongst the mouth-watering flavours waiting to be savoured.

A shop and distillery on site are complemented by an increasingly buoyant e-commerce and on-line business, as well as contract distilling. These all support the main business selling to UK supermarkets such as Tesco's, Booths and Morrisons as well as a growing export business.

The company is no stranger to adversity and after a fire destroyed the old distillery and business in 2019, the company and brand had to be rebuilt. As part of the rebuild, the current Prime Minister and Chancellor of the Exchequer visited the distillery facilities in 2020, which included a gin tasting session in the product development laboratory and a visit to the bottling line and new still.

The company has been an occasional and largely reactive exporter up until now, mainly selling through independent resellers, distributors and agents as well as Amazon to EU markets like France and Poland (Auchan).



Karl has even solicited interest and orders from the Seychelles and Australia (Coles), but he understands that in order to grow significantly, Masons has to look more seriously at international markets. As a strong signal of his ambitions to increase exports in the next few years, he is currently recruiting for an export sales manager in order to help drive international growth.



Karl enthused “we are currently recruiting for a new export manager, in fact the interview is right after this...to help build the Masons brand internationally. We plan to build exports up to a new level of at least 10% of our annual turnover, which is currently above £5m.”



Whilst it is too early to say what the opportunities might be from the new Free Trade Agreements with countries like Japan, Karl is pleased by changes on the other side of the Atlantic. The US market has recently opened up, as the legislation on bottle sizes changed in early 2021 to also allow 70cl bottles to be sold (as opposed to 75cl). This means Masons can start to tap into the US market using the existing investment in the distillery and bottling, as opposed to making a new investment, which would be risky at the present time.

One of the challenges that Karl is hoping will be overcome soon is logistics. With EU exit disruption, there are no transporters prepared to take his product out to market, and he even has one customer in France who has paid for goods that he has not yet been able to ship across the Channel. This is not ideal from a customer relationship perspective and is holding Masons back from exporting more.

Another challenge has been that because of C-19 and the disruption to working practices, it has been very difficult to get information on in-store product sell through from his customers, which makes forecasting and planning rather difficult. Obtaining feedback from clients overseas on how the product is selling in-store and supporting customers with this process is a critical part of exporting as Karl advises. He certainly hopes that these issues will prove to be temporary bottlenecks.

In terms of advice to prospective exporters, Karl says “it won't be easy, expect to have to do a lot of work in the overseas territory and don't expect an order straight way. You will need to make sure there is sell through and that you support your in-market partner to drive end customer demand.”

Building new international markets will become an everyday part of working for Masons of Yorkshire in future. Given Masons track record of resilience in the face of existential challenges in the past, Karl has no doubt that the company has all the tools in its armoury to make the most of the bespoke and targeted support from organisations like DIT.

Case Study:

Fly-Tying Materials Manufacturer Exports across the Globe



"The market is so hard to predict at the moment, but we are a quality manufacturer, very proud to be British and I believe we can continue to go from strength to strength in this unique and fascinating market."

CEO Ann Kitchener

Selby based Semperfli is a serial exporter and since its formation it has become a world leading player in a very niche market. Semperfli produces and sells an extensive range of materials to create artificial flies for fly fishing. The traditional art of fly tying, where people create elaborate replica flies using fur, feathers and threads, is believed to date back as far as the 3rd Century. The pastime is hugely popular around the globe and Semperfli's high quality products are in high demand. Their custom made, super strong thread nano-silk waxed threads, wires and synthetic alternatives to natural products are sold in every continent. Thanks to a dedicated network of distributors, ambassadors and social media influencers, Semperfli's comprehensive catalogue of craft materials is a must have source for fly-tying enthusiasts around the world.

CEO Ann Kitchener explains more about the origins of Semperfli's exporting success. "We were really set up to export from the start. We recognised there were quick wins to be gained through selling our products abroad, especially in the US market. We embraced that opportunity and now 85% of our sales are done overseas."

With distributors and dealers in Scandinavia, South Africa, Asia, Canada, USA, Japan, Russia, Australia, South America and all over Europe, Ann relies on her network of distributors and ambassadors to spread the word to the fly-tying community. "We have 80 Ambassadors and Pro Team members who showcase our materials at exhibitions and online. We've been really successful at building demand from the ground up through our Pro Team. Fly-tying is an art form and the end product is a dream for Instagrammers. Our influencers not only use their platforms to show off their creations, but can vouch for the high quality, sustainability and ethical credentials of our materials too." These personal endorsements of satisfied customers are a major factor in driving up demand in new countries too. The company has recently started selling in Chile and has plans to expand further into South America. Ann has started working with an 'introducer' who is working hard to establish new stores in other South American countries. He also advises on specific import regulations in the region and is confident the company can open more stores by the end of 2021.

The US market continues to be a huge success for Semperfli. "We have seen exponential growth there with 1700% growth in some months compared with the previous year. Our distributor is amazing there. Our partnership has grown, and we are now operating like we are one team. It's been an exciting ride in the US for sure."



Semperfli is navigating some of the more challenging aspects of exporting, including changes relating to Brexit. The company worked hard on their preparations, liaising with couriers to ensure their paperwork was all in order and adhering to government advice. There have been some bumps in the road, as Ann explains. "We know we had done everything we could do prepare but we have faced some issues with misunderstandings in some European countries in how to work now with a British company, backlogs in German customs, couriers putting extra charges on services and some very pedantic attitudes regarding statement of origin wording on the paperwork! It has been very costly in time and effort chasing things down."

The company has taken measures to keep their European exports moving by working with a larger group of couriers to help spread the risk of delays. Ann continues to monitor everything very carefully and is confident the company can overcome any problems with European trading and satisfy their customer orders.

In contrast to the challenges of Brexit, the COVID-19 pandemic has been an unexpected blessing for Semperfli. More home working and greater restrictions during lockdown has led to people spending more time on their hobbies. "The pandemic has helped some people rekindle their interest in fly tying. They had plenty of time on their hands and our sales went through the roof."

Global orders came flooding into Semperfli who stepped up to keep up with demand. Given their reliance on exporting, the company had to adapt quickly. They brought in extra machines and extra people, changed their layout and even housed a new machine in a different building to help maintain social distancing and stick to the guidelines. While some competitors had to close down, Semperfli has stayed open throughout all the lockdowns and has kept up with demand across all its distributors.



When asked what Ann believes are the biggest contributors to Semperfli's exporting success, she is clear it's the combination of quality products and the personal touch that makes the difference. "Building relationships with our distributors and influencers around the world is crucial for us. For example, we try to speak to people in their own language or use translation services if we can't. My view is you should pick up the phone and talk to people if you can, a bit old school but so important for successful relationships with overseas partners."

The approach certainly seems to be paying off with orders coming in thick and fast and larger than ever. Ann is moving forward with expansion plans in South America and will continue to nurture those all-important partners relationships. She is also settling into her role as an Export Champion for the Northern Powerhouse region and DIT.

Case Study:

York based global training provider successfully adapts its approach to securing overseas businesses and deepens its presence in South East Asia



"We have up to 2,000 training experts who can deliver world-class training to suit individual business needs from short courses and executive programmes to e-learning, MBAs and more."

Amanda Selvaratnam,
Director

The Training Gateway is a brokerage service which supports HR and training managers to source high quality executive training and educational partnerships from its member network of accredited UK Training providers including universities, colleges and private training companies.

Established in 2008 and based at the University of York, the service was set up by Department for International Trade Export Champion, Amanda Selvaratnam. Amanda is a highly experienced exporter and has run over 40 trade missions around the world.

"I love the experience of exporting and seeing businesses develop relationships with each other that are mutually beneficial. Education is such an attractive proposition for many people. If you can provide education for someone you can help transform their lives." Amanda Selvaratnam, Director of The Training Gateway

The Training Gateway acts as a broker between education members and organisations within the UK and overseas clients.

"We have about 80-90 UK universities receiving our email alerts, 20-30 UK colleges and a similar number of private training providers. It's a diverse list of organisations across the UK, ranging from small and specialist institutions like art colleges right through to well-known universities." Amanda



The firm's work covers many areas including leadership and management, specialist technical training, soft skills, educational partnerships, accredited CPD programmes, marketing and communications, and apprenticeships. Clients submit their training opportunities which are sent out to members and they then receive proposals from training providers.

The service has very diverse client opportunities on offer that training and education provider members can submit tenders for. Within the UK, most of these opportunities are found via commercial tender sites. Clients can also reach out to The Training Gateway directly with specific requests, so called 'unique opportunities'. 95% of unique opportunities' enquiries come from international clients, and currently 20% of all opportunities are from overseas.



The Training Gateway has worked with clients in over 50 countries. Key international markets include Asia, South East Asia and the Middle East. Countries where English is used for business or educational purposes are important markets for the company. The Training Gateway helped forge a partnership between Mumbai college and a UK University to deliver an undergraduate programme in Engineering design and sourced a UK University Partner for a Cyber Security Masters Programme for the Middle Eastern Government Department.

The pandemic has meant that The Training Gateway has adapted its international operations. So far, the service has demonstrated that a good working relationship can be developed online:

"I wouldn't say we specialise in any particular sector; we have brokered online training from organisations in diverse areas, including food and drink, the creative sector, and energy providers. For example, we brokered leadership and management training for HR managers for Almarai in India - the largest dairy company in the world."

Amanda Selvaratnam,
Director

"We've done two virtual missions which have been phenomenally successful. The most recent one has been between the UK and an emerging market in South East Asia. We had over 160 meetings over a four-day period. We would never have managed that logistically in the country and it would have been very expensive." Amanda

Looking to the future, Amanda would like to grow the unique opportunities market, both domestically and internationally. In addition, the service sees Indonesia as a key prospective market.

"I'd love to work in Indonesia, I think it is overlooked to a certain extent. [...] it has a phenomenal growth rate and there is so much potential there." Amanda

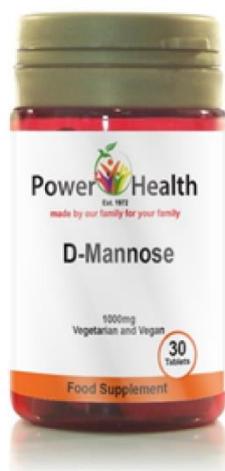
Amanda likes being based in North Yorkshire and thinks it's a good place to do business internationally.

"I love working in North Yorkshire. We have some impressive education establishments and a fantastic private training provider network. Being based here is great. It's a wonderful place to live. We have good links internationally with the airports at Manchester and Leeds Bradford so we can use them to get to virtually any country in the world."

For any businesses looking to export their goods and services, Amanda notes that understanding different business cultures is vital. This involves researching and understanding local customs, processes and etiquette before any visits or during any pre-mission preparations.

Case Study:

Pocklington based vitamins and supplements manufacturer exploits renewed global consumer demand for health and wellbeing

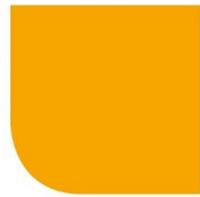


Next year Power Health, a vitamins and supplement manufacturer based in Pocklington, will celebrate its 50-year anniversary. It was started in 1972 by the father of the current Managing Director, Vicky McIver. The business has grown from modest beginnings as a small co-packing site for vitamins, minerals & botanical supplements, sports nutrition and natural hair & skincare products. It is soon to become a fully-fledged manufacturing facility achieving a Good Manufacturing Practice (GMP) standard.

With an 85 strong team of dedicated staff and a turnover of nearly £7 million, the business provides UK and overseas customers with thousands of product lines in traditional vitamins, supplements, oils, sports nutrition powders and much more. 60% of the business is comprised of contract manufacturing and producing on behalf of its customer base. The rest is dedicated to their own Power Health branded offering, which is currently available in over 45 markets globally.

Export sales have always been ingrained within the business. Ever since Vicky McIver joined the family business in the 1980's, she reminisces about the various international customers they have supplied. A few of these are still on the books today. To support the continuous growth of their international business, they appointed Export Director, Helen Whilesmith, to take care of their growing portfolio of international clients. With this focus on internationalisation, they have been able to achieve international sales accounting for approximately a quarter of turnover. Having a dedicated approach has been instrumental in achieving this success within international markets to date. Vicky and Helen put this down to their determination and shared belief of 'simply not giving up!'

Like many other supplement manufacturers, Covid-19 has had a positive effect on their business. Put simply, there is greater global demand from consumers wishing to take better care of their health and wellbeing. Their sales of vitamin D and vitamin C have spiked.



Furthermore, they have opened more new international accounts in the past twelve months than ever before, citing the fact that due to the pandemic, some of the registration rules for their products have been less stringent than before, allowing overseas opportunities to be realised quicker.

Usually product registration is the biggest trade barrier they face. The paperwork required to present to the health authorities to allow the importation of food supplements is cumbersome and costly. This is especially the case historically for territories outside the European Union, where these kinds of products tend to be classified more as medicinal products, necessitating additional customs clearance procedures and formalities.



Power Health has done well in Europe. However, since the beginning of the year any new or pipeline business has been difficult to secure. For now the team has decided to focus on fulfilling existing EU customers' orders.

With the new paperwork and additional costs involved in exporting into Europe, they have found that their existing customers, who fortunately have stuck by them as their supplier of choice, have been placing less frequent but much larger order volumes as a result.

In fact, less frequent but more substantial orders is something that both Vicky and Helen are happy to manage from their side as there are economies of scale.

Once their new GMP site is fully up and running later this year, the international team have ambitious plans to focus on the Asian and South American markets, areas they have not yet been able to develop. They are looking forward to being able to return to markets in person, visit industry trade shows and undertake trade missions. This approach has worked best for them in the past and has allowed them to undertake competitor research of other brands and meet likeminded partners with whom they can mutually grow their respective businesses.



A strong digital presence and international platform is also on the agenda. A new website aimed at attracting new international opportunities is currently in progress. This will bolster the company's international reach, helping the firm to realise its global ambitions.

When it comes to advice for those looking to export or those currently on an international trajectory, Helen says:

"Above all, you need resilience. Work through your paperwork carefully and make sure it is correct. Engage a local partner who knows their market really well and with whom you can get on with and build a good relationship. That is what is going to make the difference for your business in the longer term."

Looking to the future, the business is eagerly anticipating the opening of their GMP facility and the opportunity to get physically back out into the world and deepen and extend their international reach into the health food supplement market.

Case Study:

Harrogate-based confectionary business exports sweet treats globally



The Serious Sweet Company is the brainchild of confectionery lover Rob Whitehead. After many years of working in other areas of the food industry, Rob finally decided in 2014 to pursue his passion and set up his own fudge making factory in Harrogate. Its mission is simple: to make the best tasting English sugar confectionery to delight consumers far and wide. It is fair to say that it has certainly been doing so in its home market with an impressive customer list of British retailers for whom it produces an array of branded and private-label fudge, honeycomb, mallows and peanut brittle.

Since its inception, the business has developed to offer the highest possible quality production standards. It has grown to a workforce of over 50 staff, many of whom work in the factory itself and take care of the hand-crafted small batch production runs of delicious sugar confectionery. Internationally too, and especially when it comes to private label contracts with large international retailers, the business has succeeded in securing several global opportunities. 30% of its current turnover comes from global customers in territories such as Canada, the US, Australia and New Zealand. In this sense it is clear to see the business is succeeding in its mission thus far.



Whilst the business is accustomed to developing relationships and sales in many of the far flung markets, they also trade with Europe and have been impacted by the new trading rules with the European Union. Rob cites issues such as samples for overseas retailers being held up at EU Customs. Some of the big-name retailers he supplies into Ireland have given him conflicting information on whether some of his composite products require a vet certificate or not.

"When you have one supermarket chain telling you that you must provide a Vet Certificate and another saying you don't for the same product in the same market, how do you resolve that?"



Uncertainty and disruption in the short term are inevitable with the European Union, according to Rob. He believes that it is those suppliers who proactively sort the problems for their customers who will win out in the long run. Serious Sweets have experienced a dip in European sales over the past 12 months in markets such as Northern Europe and Germany but do hope that, in time, this business will return.

Whilst the business is now in its quieter period of the year before the build up to Christmas and winter seasonal orders (which comprise the majority of its £5m turnover), it is not standing still. Indeed, the business from an international perspective, is in talks with a Russian/Baltics new partner and also has recently utilised a new EU grant offered to SMEs through the Department for International Trade (DIT) in order to explore further global opportunities. To this end Rob praises the support of his local DIT advisor in securing this match funded assistance. As the sole person responsible for developing exports, the support has allowed him to bring in further external expertise to help achieve his international ambitions.



Of course, Covid 19 and the inability to travel has had an impact. Without exhibiting at global trade fairs such as ISM that takes place in Germany each year for the confectionery sector, along with the PLMA fair that attracts a number of high profile private label retail buyers, Rob acknowledges that gaining new export business over the past twelve months has been challenging. Thankfully though, due to their pre-existing international footprint, strong buyer relationships and high-quality products, they have managed to largely maintain the export business through this challenging period and have not been as negatively impacted as others in the international arena.

What advice does Rob give to those looking to start exporting?

"Everyone tells you to export and, overall, it can be a great thing to do for businesses. However, you must be focused in your approach and be resilient. Now more than ever, be prepared for the long haul and invest in a clear export strategy and plan."

Rob remains positive in his outlook for the business and, in terms of exports, is looking forward to being able to get out to visit some of his international customers again very soon where he can impress them with the new flavours and creations he and his team have been cooking up over the past few months.

Case Study:

How Tea+ is stirring up a storm overseas



Tea+ Drinks is an award-winning Harrogate based tea brand established by husband and wife team James and Jade Dawson in 2016. Still a very lean operation with four staff today, the business began with humble roots at local food and drink fayres before setting its sights on the UK national market and then progressing onto the international stage. A recent accolade in the 'New to Export' category in this year's Northern Powerhouse awards shows how far the business has come in a short space of time.

With over 2000 listings now in the UK market, the journey into exporting, like many businesses, began by chance back in 2018. James recalls receiving the unsolicited approach via email from a Mexican distributor one Friday evening. Dismissing it as spam or a scam, it wasn't until later when he was shipping out several pallets of stock for this customer who had prepaid that he began to realise the potential of going global for Tea+. This would require a more proactive, strategic approach.

Since then, the firm has made a more concerted effort to exploit overseas opportunities, exports now account for approximately 20-25% of turnover in 2021 and are projected to grow over the coming years. Tea+ aims to increase export turnover to 50%.

James is acutely aware of the investment that needs to go into each and every new territory. Indeed, he acknowledges that there have been times when potential opportunities have had to be declined due to legitimate export barriers. One Thai retail opportunity carrying 70% tariffs simply wasn't viable. Assessing the viability on new export prospects is crucial when time and resources are limited.

As such, the key areas of current focus outside of the EU are New Zealand, the Middle East and Nigeria where they have some existing business they wish to focus on and consolidate this year.

In parallel they also want get their EU business back on track, and particularly on the e-commerce side. Covid has had a positive effect on their business with consumers seeking healthier and vitamin enriched drinking options. The UK's exit from the EU however has caused significant challenge and securing new business development has not been easy. Many suppliers and buyers in Europe are currently choosing to stick with their existing customer base.

Online Tea+ had experienced very positive results through Amazon Europe with direct to consumer sales in Germany, Spain, France and other countries



continuing to grow year on year. Unfortunately, from January this year most of this has stalled due to the new trading requirements and Tea+ are currently in the process of exploring the setup of a third party logistics operation within the EU to alleviate some of these problems. This should allow their EU distribution to then resume offering a platform for further growth.

When asked what advice James would give to those looking to export products or services he suggested:

“Make a conservative plan for your international growth and then stick to it. At first, we did what most exporters do and looked far and wide for new global business opportunities. Be realistic about what you can achieve and pick some preferred target markets and focus on those. We have learnt from this and are much clearer on our international marketing strategy with a less is more approach and this is working well.”

Finding good local partners to work with is another way in which James has succeeded overseas. This is in addition to finding the right UK based support too, via the Department for International Trade and other specialist trade associations, consultancy or private service providers. James makes use of relevant available grant funding opportunities to support his internationalisation activities and encourages others to do the same.

Whilst they don't have a dedicated export manager at present, James acknowledges that with the anticipated global growth and resumption of EU trade this is something he will recruit for. This will allow the business to continue to flourish and achieve the ambitious target revenues from overseas markets that his company has set.



Case Study:

Harrogate Technology Firm Brings Authenticity to the Food Supply Chain



"Our software can help clients understand where their food comes from and verify wider details such as food miles and CO2 emissions. Increased consumer awareness of environmental issues is encouraging the food and drink sector to demonstrate their product's/ingredients sustainability."

Alex Walters, Chief Commercial Officer

Harrogate based Authenticate uses technology to bring greater transparency and visibility to the global food industry. Founded in 2013, the firm currently employs 25 staff from the North Yorkshire area. The firm designed a global collaborative software and data platform ('Authenticate') that provides leading grocery retailers, food-service operators and manufacturers with previously unseen insight into their direct and indirect supply chains. In some food sectors, such as meat and dairy, there is a clamour for a greater level of due diligence due to historical food scares like the Horse Meat Scandal in 2013. There is also growing awareness of environmental issues.

Prior to Authenticate, Alex noted:

"Food businesses up and down the supply chain were asking for the same product data and assurance details on multiple occasions and in different formats – our biggest problems were not in building the software, but more in obtaining the correct information from ever more time-squeezed parties. We designed the software so that suppliers can upload it themselves."

The firm's origins lay with a passionate group of industry experts who saw the potential for a bespoke software solution that would enable businesses to manage data about their supply chains more efficiently and with greater scope for collaboration. Built and maintained by their in-house data team, Authenticate's directory provides compliance data on over 30,000 global food businesses within a user-friendly online platform that makes it easy to map out supplier networks, manage the associated regulatory admin and gather the supply chain data that matters most to their clients.

Authenticate originally started with UK customers, including supermarkets such as Asda and Morrisons, but due to the global nature of the industry's supply chains, the business was quickly linked to overseas networks, and over the last three years the firm has consciously expanded its international presence.

"We now operate in every continent and track suppliers in over 100 countries. Two of our top five customers are international businesses." Alex Walters, Chief Commercial Officer

One of the firm's clients is Hello Fresh, with headquarters in Berlin and six global and operating divisions ("we on-boarded their Australian and New Zealand Teams last week").



"We are proud of being based in Harrogate, the town has an international profile and we draw on this when we talk to global prospects. It really builds interest from potential clients. We plan to continue to build, maintain and sell our software out of North Yorkshire."

Chief Commercial Officer Alex Walters

Authenticate also provides software for a Canadian-American multinational fast food holding company. The firm has other strategic clients locally including Asda and Morrisons.

"Our model works as well in the US as it does in Yorkshire. We offer first class customer service and provide software that is easy to use remotely", stated Alex. Alex admitted some international clients did express some concerns during the sales process as to whether they could be adequately supported from overseas. "We have now developed comprehensive service level agreements for global clients. We ask prospective clients to speak to existing customers", said Alex.

The firm's international customers are primarily based in North America, Europe, Australia and New Zealand. Alex added:

"We have sometimes found it can be harder to convert a new sale when you don't meet prospective clients face-to-face. That said, virtual conferencing technology allows this, and we have now on-boarded new customers in every continent. Also, the sales and on-boarding process is made much easier when there are no language barriers."

Alex noted that Selling Software as Service (SaS) internationally is a relatively straight forward prospect. The firm can manage their whole process remotely and the teams have just delivered training for a client team in Australia and New Zealand via Zoom.

"We had to adjust some terms and conditions around data protection. Anyone can log onto our software and it is not built for any single legislature. It is as easy in New York as it is in London. The software is in English, but modules can be offered in any language."

Considering recent contexts of the UK's Exit from the EU and Covid-19, Alex felt more food suppliers were seeking to improve the transparency of their supply chains. The effects of Covid-19 on international trade have been a 'mixed bag' for the food service industry, with hotels and catering suffering, but growers, retail and grocery remaining buoyant. Alex commented on the benefits of increased technology use as a result of Covid-19, which has reduced the need for site visits and international travel, allowing clients to do more remote supply chain assessments. "Although we did grow last year, our growth would have been higher if not for Covid-19, but overall, we feel fortunate."

For Authenticate, exporting has resulted in a 'dramatic lift in revenue', by expanding the service to a 'broader set of customers with different needs'. Alex stated exporting has allowed the firm to offer a more sophisticated product that is able to adapt to support more complex client needs, such as ethical and environmental verifications.

What advice would Alex give to others looking to export?

"Have belief in your products and services, if they can deliver tangible benefits in one region, why not another. Do your research but have the belief and passion to give exporting a go."

Alex hopes to continue to evolve the firm's product suite to ensure it offers relevant solutions for different markets. Alex concluded by stating that North Yorkshire is a great place to do business,

"We are proud of being based in Harrogate, the town has an international profile and we draw on this when we talk to global prospects. It really builds interest from potential clients. We plan to continue to build, maintain and sell our software out of North Yorkshire."

Case Study:

Bringing Baijiu to the British



Craig Butler's tale of producing Baijiu, the Chinese national spirit, in the depths of rural North Yorkshire and then selling it back to the Chinese is an incredibly intriguing and inspiring one. Having spent many years living and working in China, he had experienced first-hand the traditional consumption of Baijiu (which translates into English as 'clear spirit'), usually taken at dinner by the older generation Chinese businessmen. Years later and with an idea to infuse Baijiu originally into beer, arguably the British national drink, Craig founded the Baijiu Society three years ago. He says that they are one of the world's first to produce Baijiu outside of China.

Since the company's formation, it is fair to say his business journey has seen many twists and turns. Firstly, the company ended up purchasing the brewery who were making the Baijiu beer and have now taken on the production of, not only, their brand, but of several other beer varieties for others too. In doing so it then allowed them within their new production facilities to develop their very own blend, Westernised take of the distinctive Baijiu spirit. This is lower in alcohol, a bit sweeter and smoother than the traditional spirit, opening the option to serve it in cocktails and to even to consume with tonic waters, very much like a gin or vodka. Craig has brought Baijiu into a much more mainstream environment. It appeals to an audience of millennial drinkers in a way that has never been done before in China or the UK.

For Craig and the team it was essential that their Baijiu beer and spirit would be accepted by the Chinese consumers. Gaining credibility from the nation who are avid Baijiu drinkers and who would nevertheless consume and enjoy a version of it that was made in Yorkshire would make effectively opening an entire new drinks category, in the UK, that little bit easier. In November 2019, the business promoted a soft launch in Hong Kong and Shanghai, two of its target market segments gaining quick acceptance of the product in the East. For Shanghai, the challenge of getting the product accepted began - into trendy bars and the hands of a much younger millennial consumers. In Hong Kong, a similar approach was taken to bring the Baijiu Society's brand into local bars and away from the traditional channel of speciality stores. Unfortunately, this initial success and momentum was quickly cut short by Covid-19 and the business is now looking to reset and restart their launch programme into these markets, as and when, the ability to physically travel to Hong Kong and China becomes viable again.

For the business and given the nature of the product with its Chinese/British fusion, Craig stresses that the lack of international travel has been a challenge:

"People want to have the story. They want to talk to the people who have developed this brand. For us, it is equally important that we meet face to face with our potential distribution partners to understand and validate if they are the right fit for our brand."

Another learning point from selling products to the Chinese for the Baijiu Society was appreciating the prestige and value that Chinese consumers place on imported British goods.

Craig says, "we initially thought we needed to make the product assimilate with the local culture because everyone says you should adapt your products to the target market. What we have learnt is the complete opposite. We are not putting any Chinese labels on our bottles and in fact, to further highlight the British authenticity of the product, we are labelling them upon import into China. We are unapologetically taking China's national drink and making it our own with our very own Western twist and interpretation. So, we shouldn't try and make it feel like another traditional Baijiu product as this runs counter to our entire raison d'être!"

One of the other surprising and pleasant discoveries Craig has made too is the recognition that the Yorkshire region has in China.



In the end too, after much deliberation the designers for the product have brought a new aesthetic to Baijiu that is intentionally Westernised and contemporary. It is a far cry from the traditional ornate Baijiu bottles that are usually present in China, but purposefully so.

One of the other surprising and pleasant discoveries Craig has made too is the recognition that the Yorkshire region has in China. He has been encouraged with the response of consumers and partners when discussing the location of the production facility and the level of awareness Yorkshire has in China. At the production facility, the business is also seeking alternative sources of energy and participating in a project to see if they can recycle their brewing waste to create hot water. The UK is their next target market. The first stage is to promote the drink through online e-commerce platforms over the coming weeks. They will then tackle the trade market, as and when this channel re-opens, post Covid. The Baijiu Society have overcome many difficulties over the past year already and remain fixed on their goal and the vision for business which Craig very aptly summarises:

"Once we have drinkers going into bars and ordering a B&T instead of a G&T, then we know we have finally cracked it!"

Case Study:

Sumo Farm Machinery on a mission to cultivate more business on international soil



"We are selective about the distribution partners we choose. They must fit with our values and be aligned with our emphasis on conservation agriculture and our way of doing business. Without this, we know a long-term business relationship will not be possible."

Mark Curtis,
General Manager

Founded in 1991, Sumo Farm Machinery turns 30 this year with much to celebrate at their 100,000m² site in Melbourne near York. The firm has over 40 staff and is aimed for a turnover of over £7million this financial year, with 20% being revenue generated through exports.

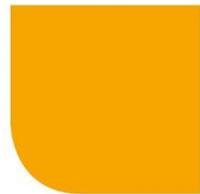
Sumo is a leading British designer and manufacturer of cultivation and seeding equipment. The business is focused on conservation agriculture, a sustainable farming system that seeks to optimise yields by protecting soil from erosion and degradation, improve its quality and biodiversity and protect natural resources. Sumo Farm Machinery has developed a range of mounted tillage cultivators and drills. This equipment is ideal for small to medium sized farms keen to follow so-called conservation agriculture, a growing priority in British farming and globally.



The Sumo Trio Cultivator has for some time been the firm's best-selling product. The firm has developed other new drilling technologies and products that promote sustainable agricultural practices.

International development is a key part of the firm's five-year growth plan with recognition of the potential this can bring especially in from far eastern markets. The UK domestic market alone would not allow Sumo to achieve their growth ambitions. Their target is to double exports within that timeframe so that is accounts 40% of turnover with an ultimate ambition of parity with UK sales (ie half of turnover from exports). The firm have appointed an Export Manager.

The global side of the business started through initial website enquiries from international customers. The firm now takes a very proactive stance to new



export market development and exploitation choosing partners that share their company values. Despite current international travel restrictions, the firm has grown international sales with new business pending in Denmark and a shipment of machinery about to arrive in Australia.

“We are selective about the distribution partners we choose. They must fit with our values and be aligned with our emphasis on conservation agriculture and our way of doing business. Without this, we know a long-term business relationship will not be possible” Mark Curtis, General Manager of Sumo Farm Machinery,



“We will continue to champion the benefits of British manufacturing and conservation agriculture.”

Mark Curtis,
General Manager

The firm has been particularly successful in the past when international customers have had the opportunity to use or try their machinery (and on returning to home markets have placed orders).

The firm has worked in the southern hemisphere in Australia and New Zealand, but the different seasons combined with production lead-in times (3 months) and shipping and operationalisation (another 3 months) can be challenging.

Europe, and Eastern Europe in particular, remain an attractive proposition for Sumo Farm Machinery. As British manufactured machinery they have been able to sell without rules of origin restrictions. It has been more challenging to import machinery components. The elongated time for goods to arrive from Europe due to the new border controls risked extending their manufacturing lead-in times. Sumo arranged their own collection of materials and components via couriers and freight forwarders to minimise any customer delays.

The sales team is keen to return to trade events and undertake international missions when it is possible to do so, as well as exhibit at Agritechnica in early 2022.

In terms of advice to others looking to export Marketing Manager Darren Andersen suggests,

“Don't be dazzled by big orders. Small organic growth with a truly aligned values is likely more profitable over five years than a huge initial order that is not followed up by repeat business. Don't be afraid to discuss finance and contractual terms early on. Everybody may want your product but not everyone will be willing to pay for it. Ensure there is absolute clarity on the payment terms. I would recommend building a good commercial relationship without getting into the granular details of discussing every contractual clause.”

One aspect of finance that the business does find tricky is the ability to offer any trading terms/conditions of sale to their European customers. This has hindered EU growth and they are still looking for a workable solution on this matter.

Looking to the future Sumo is determined to achieve its ambitious domestic and international growth targets applying the strong principles and determination on which the business was founded.

“We will continue to champion the benefits of British manufacturing and conservation agriculture” says Mark.



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