

For Information: SME Internationalisation Support in Kent – SIE Project Update

Executive Summary

1. Overview

- 1.1. Since 2016, the Economic Development team at Kent County Council has been lead partner in the SME Internationalisation Exchange (SIE) project funded by the Interreg Europe Programme. The project, which ended on 31 December 2020, aimed to review and improve SME Internationalisation support policies and programmes while tackling the challenges faced by small companies exporting their goods or services. SIE brought together a network of partner organisations and stakeholders from different European countries.
- 1.2. Phase 1 of the SIE project led to a ‘Kent Framework for Supporting Exporters’ (shared as an update with SELEP in Sep 2019) which details the longer-term aspirations and a series of activities that the ‘Kent International Business’ organisations (Kent County Council, Department for International Trade, Enterprise Europe Network, Kent Invicta Chamber etc.) put in place to improve SME internationalisation support in Kent.
- 1.3. The ‘SIE Kent Action Plan’ was developed and included some pilot actions to improve SME internationalisation in Kent: **the Kent Export Manager Scheme** and the **Kent Export Pathway**.

2. Summary of Update

- 2.1. This paper provides an update on the Kent SME Internationalisation Action Plan with a particular focus on the two pilot actions delivered to help local businesses with exporting. It also details recommendations for future actions which align with the aims of the SELEP ESIF strategy (and other SELEP strategies) to boost export activity.
- 2.2. The SELEP board is asked to note the content of the report and consider how the results and outcomes of the SIE Regional Action Plan and its pilot actions might align with the work of SELEP in the future.

3. Rationale for update

- 3.1. All projects funded by Interreg Europe are required to influence ERDF programmes in their partner regions. For the SIE project in Kent, this is the SELEP ESIF programme which highlights the importance of exporting and supporting exporters.
- 3.2. The SIE pilot actions outlined above enabled partner organisations in Kent to try out some new ways of providing support to (potential) Kent exporters. The next step will be to consider a potential wider-roll out of these in the future within the any successor programmes to ESIF or within other mainstream programmes. As the pilot actions have now been implemented and evaluated, Kent County Council’s recommendations can be shared with SELEP.

Further Information

4. Update 1: Pilot Action: ‘Kent Export Manager Pilot Scheme’ (KEMPS)

- 4.1. The SIE study work carried out by the Kent Business School in 2017 identified that one of the key barriers to SME internationalisation was a lack of internal resources to devote to internationalisation in terms of staff and financing. KCC developed the KEMPS scheme to tackle this barrier.
- 4.2. In January 2020, 3 Kent-based SMEs were awarded vouchers of €10,000 to secure the services of an ‘export manager’ or relevant service provider to drive forward internationalisation activity in their business. They received additional ‘wrap around’ support from the Department for International Trade. Due to the Covid-19 pandemic, further funding was diverted to the scheme and in July 2020 a further 4 SMEs from Kent & Medway were awarded vouchers worth €5,500. All KEMPS projects were completed by December 2020.
- 4.3. The 7 SMEs used their KEMPS voucher follows:
 - 4.3.1. **Karimix** (€10,000), a food manufacturing company which produces a range of exotic sauces and marinades made use of an export manager to make new contacts in export markets and send orders to a range of new international contacts despite some changes to demand in different countries caused by the Covid-19 Pandemic.
 - 4.3.2. **Abbaltis** (€10,000), which supplies 'disease-state plasma' to the medical research industry secured help through the scheme to develop its web presence for 2 target markets in Asia.
 - 4.3.3. **Evogro** (€10,000), which manufactures high-end growing systems for the restaurant & hotel industry was able to prepare legal agreements and contracts to enable it to do business with partners and distributors in mainland Europe.
 - 4.3.4. **Ecoegg** (€5,500) was able to find new leads for outlets to sell its environmentally friendly laundry product range and gain new market insight.
 - 4.3.5. **Old Dairy Brewery** (€5,500) developed marketing materials and a new web landing page for the Italian market to boost sales.
 - 4.3.6. **Nims Fruit Crisps** (€5,500) and the **Fountain workshop** (€5,500) used an export manager to train their own staff on export processes and international sales and distribution procedures to be better prepared to deal with anticipated future international orders.
- 4.4. Initial Results reported from KEMPS beneficiaries:
 - 4.4.1. 3/7 companies are now actively doing business in a new country. The remaining 4 companies feel more confident, better connected and better informed to expand their export offer and anticipate doing overseas business in the coming months as a result of the KEMPS scheme;
 - 4.4.2. €18,200 of orders already secured (Dec 2020);
 - 4.4.3. The SMEs estimate an additional €161,000 of orders that within the next 12 months and €1,746,000 within the next 24 months;
 - 4.4.4. Online distribution for Karimix in 3 new markets;



- 4.4.5. 5/7 adapted products, processes or services e.g. geographically targeted marketing materials, websites, staffing, move to online orders;
- 4.4.6. One company started exporting for the first time thanks to this project.
- 4.4.7. All companies rated their Service Providers / Export Managers as very good or excellent.
- 4.5. General Benefits reported by beneficiary companies:
 - 4.5.1. Valuable additional resource to enable overseas market targeting, insight and expansion;
 - 4.5.2. Ability to reaching new/ potential international customers;
 - 4.5.3. Upskilling key members of staff for export activity
 - 4.5.4. Combining tailored guidance from KIB and Department for International Trade with export manager expertise to help with a range of export-readiness activity (procuring specialist support services, setting up processes and materials for overseas markets etc).
- 4.6. Recommendations from the KEMPS pilot scheme:
 - 4.6.1. Provide a minimum of 12 months of active input from the Service Provider or 'Export Manager' for the best results – a longer intervention period led to more direct export win results.
 - 4.6.2. Build in flexibility to enable the SME to decide where the project focus should be
 - 4.6.3. Provide wrap-around support from KIB partners (DIT International Trade Advisors in particular)
 - 4.6.4. Target export support for companies around adapting to new challenges and opportunities linked to Covid and EU Exit.
 - 4.6.5. Offer companies access to trade missions / fairs / exhibitions / meet the buyer events (including virtual at the moment) etc. to enable them to connect with distributors and other valuable in-market contacts and build on the work done by their export managers.
- 4.7. The main conclusion from the Kent Export Manager Pilot Scheme is that a small amount of grant or voucher funding can make a big difference to an SME's capacity to focus on export activity and can lead to tangible benefits including new export sales in a relatively short amount of time. Providing additional resource to an SME is an effective way of helping them to tackle many of the barriers that prevent them from implementing an internationalisation strategy.

5. Update 2: 'Kent Export Pathway' Programme

- 5.1. Additional activity was also undertaken as part of the SIE project in Kent including:
 - 5.1.1. Lead generation activity to develop a pipeline of potential exporters in Kent which could benefit from additional support interventions and exploring the use of a shared 'CRM' between the different export support providers
 - 5.1.2. Development of a '**Kent Export Pathway**' which involved mapping, reviewing and making changes to the way that the different export support services which make up the 'Kent International Business' programme, interact to provide a more coherent



programme of support activity for Kent firms. This was inspired by the ‘Parcours de l’Export’ programme run in Nouvelle-Aquitaine, France and tackled a barrier to exporting identified in a 2017 Kent Business School study, that of ‘the number and diversity of support mechanisms creating confusion among SMEs’.

6. Comments from the Accountable Body

6.1. The Accountable Body has no specific comments to add for this report.

7. Appendices, Supporting Documents and Previous Decisions

7.1. A KEMPS case study can be found here: www.kentinternationalbusiness.co.uk/case-studies/karimix/

7.2. Further details about Kent’s involvement in the SIE project can be found here:

<https://www.interregeurope.eu/sie/>

7.3. Kent Export Pathway details: www.kentinternationalbusiness.co.uk/home/kent-export-pathway/

7.4. Contact Steve Samson, Kent County Council’s Trade Development Manager, steve.samson@kent.gov.uk