SUPPLEMENTARY SUBMISSION FROM SCOTTISH ENTERPRISE AND SCOTTISH DEVELOPMENT INTERNATIONAL

Internationalising Scotland's Business Enquiry

Supplementary Questions and Responses

24 March 2015
Can SDI provide an update on the current number of GlobalScots and levels of active engagement with Scottish companies?

Are GlobalScots only available to client account managed companies?

There are currently over 600 senior business people (618 as at March 2015) who have joined the GlobalScot Network from 51 countries around the world - 34% Americas, 30% EMEA, 19% Asia-Pacific and 17% Scotland.

GlobalScot is open to all Scottish growth companies and assistance can range from market advice to deeper engagement including advisory roles on industry bodies and non executive roles within companies.

Evidence shows GlobalScots have maximum impact when they are engaged to provide assistance to a company at a critical point in its development and are seeking support with specific barriers to growth (1,057 registered Scottish companies as at March 2015).

GlobalScot has been repositioned around sector and market opportunities, and via greater direct interaction with businesses and utilisation and demand of the network has greatly increased in the last 5 years.

There have been record levels of activity over the last three years. This activity includes masterclasses, learning journeys, market awareness events, in-market events:

<table>
<thead>
<tr>
<th>Year</th>
<th>Events / Delegates</th>
<th>Event 1:2:1s</th>
<th>Total Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>49/700</td>
<td>256</td>
<td>1082</td>
</tr>
<tr>
<td>2012/13</td>
<td>54/581</td>
<td>184</td>
<td>866</td>
</tr>
<tr>
<td>2011/12</td>
<td>50/436</td>
<td>142</td>
<td>889</td>
</tr>
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By way of illustration see below two short case studies demonstrating the type of activity within the GlobalScot programme:

1. GlobalScots support Scottish Companies at Gulfood (Feb 2015)

Alex Watson and Bill Lorimer delivered a breakfast panel session on ‘Doing business in the Middle East’, attended by a group of 20 representatives from Scottish companies. GlobalScots Robert Mitchell and Mike Gorrie visited the exhibiting companies to offer advice on connections made during the show. Finally,
Les Banks and David Moleshead joined the companies at a Scottish reception to showcase Scottish produce cooked in Middle Eastern style.

2. GlobalScots help Companies explore International Ambitions (Jan 2015)

The Growing Business through New Markets event attracted over 100 businesses from the east of Scotland to hear from over 20 key business leaders about their exporting journeys. Ian Ritchie, Coppertop was a keynote speaker on opportunities for Scotland while David Moore, Eastmoore shared his experience of exporting challenges and opportunities as a panellist in the Far East market workshop.

There are currently six events planned between April and June 2015 taking place across Scotland (Aberdeen, Glasgow and Edinburgh). Key themes include: funding and finance, company growth, leadership and internationalisation. All events will be hosted by GlobalScots, senior players in the industry from across the globe.

Can SDI provide details of the Wilson Review Working Group membership, remit and schedule of meetings?

Brian Wilson was commissioned by the Secretary of State for Scotland to undertake a review of support for Scottish international trade.

To inform its formal response to the Wilson Review, Scotland Office convened a meeting on 9 January 2015 to discuss the creation of a joint working group to progress recommendations in the review. That meeting involved officials from Scotland Office, Scottish Government, UKTI and SDI. The first meeting of the 'joint working group', consisting of representatives from those organisations, was held on 11 March 2015.

The remit of the group is to work together on a number of shared actions on recommendations in the review, to deliver more effective support to Scottish exporters. The group will also consider mechanisms for building on current and strengthening future collaboration between UKTI and SDI.

The group have agreed that shared actions might, for example, focus on:

- ensuring that businesses are able to access advice on exporting when they first seek to export;
- ensuring that all parties providing exporter support work better together once a business is engaged;
- encouragement for existing exporters to expand into new markets;
- development of a more export-focused business culture;
- a joined up approach to work on developing the skills set needed;
- sharing good practice examples;
• advice, training and guidance for posts in market.

At the meeting on 11 March, the group agreed to take forward the following preparatory work prior to reconvening to agree the joint action plan:

1. **mapping of the routes to export support** (web-based, through relationship managers and through posts in market) to analyse the effectiveness of existing signposting to support (SDI);

2. development of **options for capturing feedback from companies** on the ease of accessing support and any difficulties encountered (for example through market research undertaken by Scottish Enterprise, revision of the Global Connections Survey) (SDI);

3. consideration of a **planning tool** for ensuring SDI representation at appropriate events/staff training organised by UKTI and vice versa and sharing of information on trade missions etc. (SDI and UKTI);

4. **mapping of training/guidance for in market staff** to ensure Scottish businesses are given consistent, accurate advice (SDI and UKTI);

5. development of metrics to **measure improvements** in joint working between UKTI and SDI (SDI and UKTI).

The group initially aimed to develop a joint action plan by the end of this financial year. Although this timescale will now not be met, work to develop and implement the action plan will continue as a collective endeavour under Scotland Office’s stewardship, informed by the preparatory work set out above. The Scottish Government is committed to this joint approach.

**Next steps**

- The next meeting of the working group is scheduled for 22 April 2015.

- The Scottish Government and its agencies are continuing to work in tandem to consider individual recommendations in the review.

**What targets have been set for the new export support programme?**

**Is it to be called Scot Exporter and has it been launched yet?**

Smart Exporter worked with **4,700** companies between April 2010 and November 2014. An independent review of the programme in January 2014 concluded that individuals and companies had developed a better understanding of exporting, planning for exporting and developing export action plans.

The new export support programme **commenced October 2014** and will run until 2020.

The following targets have been set for the new export support programme (period)
1. Support **1000 companies** per year – through Awareness and Ambition, Capacity and capability, Execution and Entry programme activity

2. In doing so will convert **200** non exporters to **new** exporters per year and;

3. convert **200** passive exporters to **active** exporters per year

As each company moves through its exporting journey, it can access assistance at each stage

Externally, all activities in the new programme, for example, workshops, market awareness events etc, will be branded with the three brands **SDI, SE and HIE**. This approach will help reduce the number of brands in the market place, reducing potential confusion amongst customers.

Note: SMART Exporter is an ongoing project within the HIE region, due to conclude at the end of June 2015 (as per the timelines on HIE’s current European Funded project). SDI are working closely with HIE to align their future international trade activity within the new export support programme.

**What missions are planned for the remainder of 2015?**

**Can SDI provide details of the cross-sectoral missions supported since the appointment of BE Group as delivery agent?**

There are **81** sector specific International Market Events (IMEs) (both inward and outward) planned between April 2015 and December 2015.

SDI also runs a number IME which are delivered with a sectoral focus, for example Bio Bangalore (Life Sciences sector) and Mobile World Congress (Technology & Engineering).

These sector led events and missions are part of our broader internationalisation support to Scottish companies and assist clusters of Scottish companies to access new international markets or existing markets with new products.

Work is currently underway to inform and develop an appropriate programme of cross-sector missions based on company demand for support in particular markets and opportunities that exist within those markets.

Since the appointment of BE Group, **9 cross-sectoral missions** have been delivered, attended by **125 companies**, generating estimated sales revenue of over **£13.5 million**.
<table>
<thead>
<tr>
<th>Mission</th>
<th>Number of Companies</th>
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<tbody>
<tr>
<td>South Africa Mission</td>
<td>11</td>
</tr>
<tr>
<td>India Mission</td>
<td>10</td>
</tr>
<tr>
<td>USA and Canada Mission</td>
<td>12</td>
</tr>
<tr>
<td>Brazil Mission</td>
<td>8</td>
</tr>
<tr>
<td>China Mission</td>
<td>16</td>
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<tr>
<td>UAE and Qatar Mission</td>
<td>27</td>
</tr>
<tr>
<td>New York Mission</td>
<td>17</td>
</tr>
<tr>
<td>India Mission</td>
<td>12</td>
</tr>
<tr>
<td>Canada Mission</td>
<td>12</td>
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</table>
SDI’s budget for 2014/15 was £35.1m and in the coming year (2015/16) the budget will be £34.1m.

The nature of our activity, and the integrated way in which our operations are structured, is such that it is not possible to directly assign activity against export or inward investment. The balance across both trade and inward investment varies and adjusts in order to address particular market opportunities.

A good illustration of this working in practice is the recent trade mission to Saudi Arabia undertaken by members of the Committee. Members will have seen first-hand the range of SDI support provided to companies to help them enter new markets and grow their international trade. Staff involved in delivering that mission and other missions would also be actively involved in supporting inward investment opportunities or prospects for Scotland.

As global market conditions change, SDI develops responses to capitalise and maximise opportunities. For instance, we have recently set up a High Growth Market Unit to support niche Scottish products in premium sectors such as Food and Drink, targeting emerging high opportunity markets, in particular China, India and the Middle East.

Achieving greater internationalisation of Scottish companies and sectors extends beyond SDI’s budget. The full range of business growth services delivered by SE and HIE contribute greatly towards successful internationalisation within companies.

Companies who are successful internationally demonstrate a range of characteristics such as ambition, culture, entrepreneurship, leadership and innovation. Our role, along with partners is to help companies address each of these areas and in turn realise their international potential.

There is international growth support activity delivered outside SDI by other organisations and that is recognised for its value in helping Scottish companies realise their international growth ambitions.

We have a long-established, positive and ongoing working relationship with the Scottish industry organisations such as SCDI, Councils and Scottish Chambers. A good example of delivery through partnership is in Aberdeen where the local chamber, the two Councils, UKTI, SDI, SE, the 2 Universities and Subsea UK
collaborate to form NESTG which is the North East Scotland Trade Group. This group shares its event agendas and the partners collaborate on certain missions and other events.

We are seeking to identify how we can optimise our services to better complement each other for the benefit of business in Scotland and to support their efforts to internationalise.

Recent meetings have included discussion on the proposals for the creation of a Scottish Community of Practice where we will work together on International Market Event (IME) activity including Market Awareness events and Trade Missions.

Both SCDI and Scottish Chambers have been involved in these discussions and have agreed in principle to participate and contribute to the Community of Practice to establish a single Scottish calendar of IME’s. We are in the process of widening the CoP to include organisations such as Event Scotland, China Britain Business Council and others with a view to securing their participation.

We trust that the Committee finds this additional information useful for their inquiry and should any member wish to follow-up on these or any other matters we would be delighted to hear from them.