SUBMISSION FROM ALASTAIR CRAWFORD, TRIOGEN LTD

Triogen Ltd. is a design and manufacturing company, based in East Kilbride, specialising in ozone and UV systems used primarily for water disinfection.

The company has over thirty years experience in water treatment and is recognised as a manufacturer of excellent quality products, offering full after sales service back up, as well as worldwide commissioning and maintenance, where required.

Triogen has been manufacturing since 1982. The majority of systems sold have been supplied for swimming pool water treatment, but they are often used for various other water treatment applications, such as drinking and waste water treatment.

Due to continuing expansion, in 2010 Triogen moved from its original headquarters in Craigton, Glasgow, to a new manufacturing facility in East Kilbride, which is three times larger than the original premises. Currently Triogen employs 30 people and we expect to expand further in the foreseeable future.

When I joined Triogen 20 years ago, our turnover was £1,500,000 of which 20% was for export markets. Our turnover in 2014 was just under £6,000,000 of which over 80% was based on export sales. Over the past 25 years we have sold our equipment to almost 100 countries around the world.

There are many challenges to being successful in exporting, but most of these are not insurmountable if one is determined to achieve results. Whilst possibly stating the obvious, preparation is paramount if you wish to succeed in exporting. As with most things in life, the more you learn, the better the chance of success.

I think that the first key to successful exporting is to select countries where you know (or feel) that there could be a market for your products. A great deal of information is available on the internet, so initially deskwork is of primary importance. One must learn about the culture of any country and to understand any “do’s / don’t do’s” to give you an idea of what will be required. This will tell you about any potential pitfalls and will help to prevent unnecessary embarrassment. This type of information is readily available via your computer.

It may be advisable to begin looking to export to the existing EC countries, due to their close links with the UK. Plus the EC is already the UK’s main trading area and of course includes many of the world’s richest economies. Further the EC trading rules tend to be uniform and apply to all member states across the board.

Further afield Triogen has traditionally had success in English speaking countries, often those with close ties to the UK in the past (British Commonwealth). These countries will probably already import UK and Scottish products and often a need for quality products.
The Far East and Oceania is currently Triogen’s number one territory for sales, followed by the UK, Europe, North America and the Middle East (in that order).

After selecting territories of interest, then the key is to visit these countries. Depending on the product to be sold it can be worthwhile visiting when there are relevant trade shows in the selected territories, where it is often possible to meet with potential clients or other companies who can help you better understand how business is done there.

Another possible point of entry is through Trade missions run by the UKTI or similar organizations. Going to a foreign land with compatriots from your own country can be of great assistance. Plus the networking opportunities presented by a trade mission can help build a bigger picture of the country involved.

After identifying potential clients then company personnel must visit within a reasonable time frame, and if the client shows good potential then regular communication and visits are a must in the early days, in order to build up a good relationship through trust and commitment.

Where the speaking of English is not widespread, then local translators are available for hire in most countries around the world. UKTI, etc. can usually assist with this.

I think that many Scottish SMES may generally be “scared” to enter the export market due to a lack of knowledge, a lack of resources, negative feelings about the costs involved and possibly the fear of failure.

Whilst one should certainly be wary of false promises, many clients seeking to purchase Scottish products are genuine and will do their best to sell your products into their market, by promoting them as better quality to locally manufactured products.

It is important to realize that a good number of promising clients will not get past stage A, and will fall by the wayside, but the ones who persevere with you will help one achieve significant growth.

Many companies may be unaware of what the UKTI, SDI, or other similar bodies, can offer prospective exporters to help them get their foot in the door. Whether this is down to a company’s ignorance of who is out there to help, or whether these bodies are not as “visible” as they need to be is debatable and it may possibly be a mixture of these which contribute to a company’s reluctance to export.

Certainly these bodies can be of great assistance to both new and existing exporters, as they have extensive knowledge of most countries.

It is difficult to state exactly why exports of Scottish manufactured goods have decreased so dramatically since 1999, but I suppose it is mainly down to the de-industrialisation of the UK, which has been ongoing since the 1980’s. Manufacturing
costs in Scotland are much higher than in the developing nations (the BRIC, the MINT, etc.) so it is becoming more and more difficult to be competitive in an ever changing world.

Based on Triogen’s experience, I would expect export growth would be most likely to come from the EC and Eastern Europe, the Far East, the Middle East and North America.

Central America, South America and Africa are generally very difficult markets to break into, for numerous reasons. For example Brazil has ridiculously high import taxes which can almost double the selling price of your product to the client.

Companies can learn from Scotland’s most successful exporters by comparing the products which they manufacture and sell, with the countries where current exporters achieve the most sales. This can possibly give potential exporters good information on where to start their efforts.

Meeting the Scottish Governments target of increasing the value of exports by 50% will certainly not be easy, without offering financial incentives to companies who wish to export.

Scottish Government assistance, through offering grants to subsidise a company’s expenditure to encourage them to join with export trade missions or to market overseas, would be a start.

Whilst my comments are by no means exhaustive, I hope they will offer some assistance in understanding how a small Scottish manufacturing company has used exports to significantly increase their turnover.

Alastair Crawford

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Triogen Ltd.

January 2015