

EXECUTIVE SUMMARY “PROGRAMME OF COMPREHENSIVE SUPPORT FOR THE INTERNATIONALISATION OF SMALL AND MEDIUM ENTERPRISES (SMEs) FROM MALAGA”

CHAMBER OF COMMERCE, INDUSTRY AND SHIPPING OF THE PROVINCE OF MALAGA

Five years have already elapsed from the implementation by the Chamber of Commerce of Malaga of the **Programme of Comprehensive Support for the Internationalisation of Small and Medium Enterprises from Malaga (SMEs)**, which is designed to encourage and support the SMEs based in the province of Malaga in the process of searching and opening up to new markets. From the programme inception, more than fifty companies have relied on external advice, which helped them prepare an internationalisation plan intended to find new clients in foreign markets.

The province of Malaga is located south of the autonomous region of Andalusia, between Granada and Cadiz, and is one of the provinces of Andalusia demonstrating greater economic dynamism.

The productive sectors on which the province of Malaga essentially rests are the food and agriculture sector, building, the tourist industry and the trade-distribution sector. The service sector is the one having the greatest weight, while the tourist subsector constitutes one of the strategic mainstays of the economy in Malaga.

The percentage of Malaga-based companies carrying out an export activity on a frequent basis is scant, and the volume of the goods/services actually exported is also low. Out of one hundred thirty thousand companies registered with the Chamber of Commerce, only five hundred may be considered to be exporting companies, which represents a mere three per cent. The entrepreneurial sector in Malaga characterises itself, in broad outline, by its limited foreign opening up and low number of companies with a vocation for exports. Because of these factors, it was deemed necessary to prepare a comprehensive programme intended to encourage companies to develop their internationalisation process in an efficient and safe way.

The Programme is implemented in two stages. In the first one, the companies with greater exporting potential among the various productive sectors will be identified and encouraged, by providing them with international information and documentation on their particular sector (market research, sector-specific notes, fairs they may be interested in, related news, etc.). Later, in a second stage, the company may rely on the assistance of an **External Export Manager**, as an export support measure intended for companies that do not have the sufficient size or the resources and motivation to maintain an export department. It is also an ideal formula for companies requiring an operative effort to develop their foreign markets.

The Chamber of Commerce puts at the disposal of those companies during a limited time period a highly-trained foreign trade expert who will guide the company in foreign markets in a totally personalised way, performing the basic duties to succeed in exporting the goods/services marketed by the company. In short, it consists of externalising the export department under the protection of the Chamber of Commerce.

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PROGRAMME DESIGN AND FEATURES

The entrepreneurial sector in Malaga characterises itself, in broad outline, by its limited foreign opening up and low number of companies with a vocation for exports. Companies have a passive and non-proactive attitude when it comes to looking for new clients abroad, even if a good deal of them currently have a great exporting potential, which should be tapped in order to target foreign markets.

Taking this circumstance into account, the Chamber of Commerce decided to implement a programme with a two-fold aim: on the one hand, to identify and encourage those companies with the capacity to export their goods or services, thus implying an active work methodology on the part of our institution, by selecting companies from our database and sending a questionnaire containing a set of basic questions in order to spot, above all, the entrepreneur's motivation. The survey consists of a number of questions regarding the interest in internationalisation and the hurdles that either prevent the exporting activity or cause such exports to be insufficient. At a subsequent stage, and once the company has been diagnosed, we put at its disposal – if it is interested – a highly-trained foreign trade expert, so that he/she may work for a one-year period, and on a part-time basis, with several companies simultaneously in a fully personalised manner and focusing on the search of new clients, adapting the product to the markets with the aim of penetrating them.

As a complement of this comprehensive support on the subject of internationalisation and having become aware of the lack shown by many companies with regard to the use of new information and communication technologies, the Chamber of Commerce of Malaga has also developed a portal known as “**Malaga Conecta**”, which offers these companies the possibility to create a web page, as well as a virtual shop, to market their products on-line.

Therefore, the ***Programme of Comprehensive Support of SMEs from Malaga*** has this triple dimension which has allowed the companies that were unaware of its possibilities to address, at first, the issue of targeting foreign markets under the protection of the Chamber of Commerce, as this institution is a point of reference on this subject for the companies involved in such programme.

The objectives set in respect of the above-mentioned comprehensive support are:

- Make a diagnosis on whether the company's motivations and attitude were the appropriate ones and proved to be sufficient to undertake the exporting activity.
- Make a diagnosis on the capacity of the product and the company in its export dimension; to analyse barriers and obstacles and to seek appropriate support formulas.
- To externalise the company's export department, so that the appointed expert will be responsible for the preparation of an internationalisation plan tailored to the company.





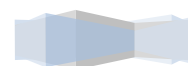
SPREADING THE PROGRAMME AND ATTRACTING PARTICIPATING COMPANIES

With a view to spreading the programme offered to the companies of the province as much as possible, an expert from the Chamber will be in charge of collecting information on the companies that are capable of participating, by contacting them via telephone or e-mail and presenting the advantages derived from the programme, as well as the main features thereof. A form will also be sent to the company, which needs to be returned once it has been duly filled in.

The task of attracting companies will be developed in the main sectors that are more favourable for exports, such as the food and agriculture, building and tourist sectors.

The information contained in the form that is expected to be returned by the companies comprises the following sections:

- 1) General details relating to the company: Name, address, contact person and contact details.



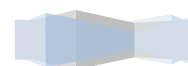
- 2) Activity details: Sector, product, brands, number of employees and company profile (manufacturer, wholesaler, retailer or distributor).
- 3) Degree of internationalisation: If the company has had previous experience and, if it is the case, the company will be asked about the frequency and destination of exports. If no exporting activity has been carried out, the company will be asked about the reasons for not having carried out such activity. The answer is to be selected among the following: *It does not have information on this subject; its goods/services are not appropriate for foreign markets; they are lacking in infrastructure or minimum capacity*, etc.
- 4) Confirmation: They are finally asked by means of a close-ended question if they are interested in starting or, at least, analysing the possibility of exporting its goods and services.

PROGRAMME STAGES

The first stage starts once the companies return to us the questionnaire. From that time we contact them with a view to establishing a preliminary contact and making a diagnosis on their ability to open up to foreign markets. Not every company that is willing to engage in the second stage of the programme may achieve this – only those companies that meet the requirements on the company ability, the capacity to offer a competitive product and degree of motivation to open up to foreign markets.

We then proceed to classify the companies according to the sector of activity, thus forming groups of companies sharing common interests and susceptible of dealing with interesting information on their internationalisation: market research, news of interest in international markets, information on commercial fairs abroad relating to its particular sector, obstacles they may encounter when introducing their products in other markets, etc.

Once the company has shown a clear interest in the internationalisation and is actively interested in undertaking its international activity and seeking new markets, it may choose to engage in the second stage. During a maximum one-year time period, the company may rely on the assistance of a foreign trade expert, who will be highly-trained in international trade, and having a command of two foreign languages at least. This person will be responsible for preparing an internationalisation plan tailored to the company. The **External Export Managers** are directly taken on by the Chamber of Commerce and are entrusted with the task of assisting the companies, so that they do not have to bear the expenses arising from taking on these professionals. Each of the External Export Managers works with three companies simultaneously, being therefore available on a part-time basis for each of the companies. The duties to be performed by these experts are the following:



1. Diagnosis on the product adaptation.
2. Market choice.
3. Market research and search for information.
4. Identifying and overcoming obstacles.
5. Identifying and selecting channels for market access.
6. Research and/or promotion trip and fair attendance.
7. Adaptation of the basic advertising material.
8. Establishing the exports prices chain.
9. Documentation on exports and identifying service suppliers.
10. Negotiation, closing transactions and collection means.
11. Identifying agents/distributors and concluding contracts.

Finally, the companies that have completed the programme are offered the possibility to continue their internationalisation process by putting at their disposal a set of alternatives and paths to be followed: organisation of commercial missions, participation in international fairs, as well as the formation of export consortia. In this respect, the export consortium emerges as a very interesting option for companies that manufacture complementary products and target the same marketing channel. Our institution has been responsible for the formation of two export consortia during 2008, and this tendency is maintained during the current year.



MAIN RESULTS OBTAINED :

The Programme was first implemented in the year 2004 and, over the course of the past years, it has demonstrated a track record of participation and success. The number of External Export Managers currently working in this programme is four and the companies that have participated in the Programme produce a wide array of goods, such as: marble, cheese, oil, olives and pickles, chocolate, biological citrus fruits, avocados, building machinery, ironwork, chemical products, computer products, etc. or render a variety of services: travel agencies, franchises, teaching, training, etc.

The main results obtained during the past years are shown in the chart below:

| 2004 / 2008 RESULTS | FIGURES |
|--------------------------------------------------------------------------|---------|
| Number of participating companies in the first stage | 66 |
| Number of participating companies in the second stage | 56 |
| Number of External Export Managers | 4 |
| Number of companies registered in the online Internationalisation Portal | 169 |
| % COMPANIES WHICH MANAGED TO EXPORT THANKS TO THE PROGRAMME | 80 % |

Examples of some participating companies :

ACEITES MÁLAGA S.L: www.aceitesmalaga.com

ENVAPLASA SL: www.envaplasa.com

REY CABRA S.L: www.reycabra.com

ALMEIDA VIAJES S.L www.almeidaviajes.com



COMPUTER TOOLS ASSOCIATED TO THE PROGRAMME

One identified and commonly-found lack which companies from Malaga suffer from is the lack of knowledge and application of the new information and communication technologies to foreign trade. For this reason, we decided to create a tool that would act as a bridge between companies from Malaga and those of the rest of the world, in addition to advertising the exporting offer of Malaga.

In this way, the portal designed for internationalisation known as “Malaga Conecta” www.malagaconecta.com enables companies to have available for free a web space in five languages, from which to develop state-of-the-art electronic trade practices. In addition, Malaga Conecta constitutes the direct bridge between all and each of the elements involved in the promotion and advertising of companies abroad, thus emerging as a permanent tool to search Malaga-based exporting companies.

The aims of Málaga Conecta are the following :

- To raise the awareness on the importance and usefulness of new technologies in the management and organisation of small-size companies.
- To promote the introduction and use of innovative processes of management and use of the new technologies: virtual shop, web page, online communication.
- To increase competitiveness through the application of innovation and new technologies in the promotion of the company abroad.
- To prepare SMEs technologically in keeping with present times.
- To incorporate Innovation as well as Information and Communication Technologies in the improvement of processes relating to SMEs.
- To equip SMEs with a new commercial tool of communication.
- To demonstrate in practice the usefulness of such techniques when applied to SMEs.
- To provide companies with new sale channels.
- To provide SMEs with new channels of entrepreneurial advice for internationalisation purposes.






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Dinamización y promoción de las pymes malagueñas en el exterior.

Buscador



01 **¿Qué es málagaconecta?**

Descubra más sobre el proyecto málagaconecta. ▶



02 **Noticias**

Toda la actualidad sobre el proyecto málagaconecta. ▶



03 **Agenda de exportación**

Conozca los próximos eventos de exportación. ▶



04 **Empresas Asociadas**

Visite el listado de empresas asociadas a nuestro proyecto. ▶

Noticias

Reducción de inspecciones ...

Las inspecciones a embarques en las aduanas salvadoreñas se redujeron 15% entre los meses de diciembre de 2007 y marzo de 2008, un hecho que para las autoridades ... ▶

Portugal, destino predilecto ...

Con 90 marcas distribuidas en alrededor de 2.200 establecimientos comerciales, Portugal es el principal destino de las franquicias españolas. Las semejanzas ... ▶

Descubra nuestra asesoría



Este apartado, reservado en exclusiva para los asociados al portal, es el punto de encuentro para tratar cualquier tema ... ▶

Empresa destacada



MARTÍN SOLAR, S.L.L.

Energía solar, climatización, calefacción, equipamiento y accesorios. ▶

Producto destacado



Guacamole pican...

El producto a base de aguacate (98%) es un ... ▶

AVOSNERJA

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