

# **World Chambers Competition 2009**



## **Best International Project**

**“South Yorkshire International Trade Centre-  
increasing internationalisation”**

### **In partnership with:**

Rotherham Chamber of Commerce and Industry  
Barnsley Chamber of Commerce and Industry  
Doncaster Chamber of Commerce and Enterprise  
Sheffield City Council  
University of Sheffield  
Sheffield Hallam University

## 1. Executive Summary

Sheffield Chamber of Commerce and Industry (SCCI) has a long and proud history of providing exemplary business support services to our members. Indeed, it was 152 years ago in 1857 that the Chamber was founded following concern being raised within the city regarding protection of its production of steel and other metals which had won world-wide acclaim. To this day, the mark of “Made in Sheffield” is synonymous with quality and reliability around the globe.

The current Chamber remains true to its roots, aiming to protect the interests of our members. However, we recognise the importance of the global economy and assisting in the development of Chambers and businesses, irrespective of location around the world, to share our expertise and deliver added value services. The Chamber has been delivering training and business support services since 1859, and now boasts being the current UK Chamber of the Year. Consistently for the last 7 years SCCI has had the largest number of delegates on training courses of all the Chambers in the UK, and its South Yorkshire International Trade Centre has won critical acclaim, being identified by the European Union as an exemplar, with its operations being mirrored now in several centres around the world. Such has been the success of the Chamber in working to achieve benefits for its members that it became a case study in the international management book *“New Product Development - successful innovation in the market place”* in 2003.

The project contained within this submission has achieved a step change in the fortunes of international trade within numerous businesses throughout the region, and beyond. Implemented in an innovative partnership, the first of its kind, with our colleagues at the Chambers of Commerce in Barnsley, Rotherham and Doncaster, and with the active support from both Sheffield Universities, and with the full backing of the four local government authorities, the SYITC has become a legacy of business support and achieved unprecedented results.

Backed up by primary research surrounding the state of international trade within the region the SYITC was assembled to meet the needs of the region’s businesses, and it was this mantra that was held at the heart of the organisation. Combining in one place services that were previously fragmented and showing no synergy with other well meaning initiatives meant that the Sheffield Chamber was able to provide support that added real value to businesses and members, assisting South Yorkshire businesses to thrive on the international stage. This innovative approach led to high levels of interactivity, creativity, and proactive solutions that were relevant and specific to our clients being found to make a step change in their business activities.

This submission will demonstrate the benefits of international trade support provided by the SYITC - a specific project of international scope, and also the value of close working with other business support and representative bodies. Through the SYITC, trade and investment opportunities have been found for member businesses, and the increased strength of the region’s Chambers to meet the needs of their members will be evident throughout this document. In addition to the financial and numerical outputs of the project it will outline the value added services generated as a spin off through the sharing of ideas and expertise.

Whilst this project has been partially funded, the concept remains valid even for more modest budgets, focussing upon generating excellent working relationships, and embracing a culture of being willing to learn from peers around the world with the obvious benefits for increasing trade flows between regions, and the commercial development of members of our respective organisations.

**2. Briefly describe how your project originated. How did the idea come about, what needs were identified and why?**

South Yorkshire is a region with a rich heritage in manufacturing and metal work and Sheffield in particular is a name synonymous the World over with quality engineering, metal work, and steel production.

The change in global working practices in the 1960's meant that South Yorkshire, including Sheffield, experienced **a steep and severe recession during a 20 year spiral of decline**. Today, the region is thriving and has a diverse economy that ensures no repetition of the 1960's. Sheffield still produces as much steel now as it did in the 1940's and 1950's, however with only 20% of the workforce. The labour markets have moved on, cost bases have changed, and the increased skill set allows us to now lead the world in high value added technologies.

Despite this, levels of international trade in South Yorkshire have remained stubbornly low since the 1960's. In 2001, **only 2% of businesses in the region were engaged with international business**.

Support for business looking to enter the international arena from the UK has historically been fragmented, with a plethora of business support organisations offering services aimed at improving the fortunes of businesses.

In 2001 Sheffield Chamber of Commerce and Industry commissioned a study into levels of international trade and business support in the region, which confirmed their belief that international business support for the area was uncoordinated and inefficient. **A step change was needed**, including a new way of working. There had been **too many unfocussed and ill conceived initiatives** from government which had failed. There was a **need to remove barriers** and outdated methods of working.

Businesses **need to be competitive internationally** as globalisation increases competition and opens up home markets to low cost imports. Firms must enter new markets to gain economies of scale and reduce costs and introduce new products to access new markets.

Recognising **that international trade is an essential building block of any successful economy**, later that year Sheffield Chamber launched The South Yorkshire International Trade Centre (SYITC) a move that was driven by demand from local business for access to high quality expert services.

By increasing the capability of businesses, evidence suggests that international trade will become part of the business outlook and not a short-term solution to demand shortfalls in home markets.

Many **SME's are unaware of the increasing importance of International Trade** and the opportunities for their companies to secure greater profit and security through seeking to grow in this way. Research indicates that companies;

- View international trade as something unnecessary and complex.
- Are unaware of the necessary functions of doing business in the international arena, such as securing payment, agents, distributors or delivering goods on time.
- Find international trade is a means to provide security by spreading risk across regions.

Consequently there was a need to heighten awareness of the benefits of international trade.

**3. Describe your project based on the category selected. (Context, innovative character, invested resources, difficulties met)**

The concept behind the South Yorkshire International Trade Centre (SYITC) is to provide a one-stop service for businesses in South Yorkshire that are engaged in international trade. In an unprecedented move, services from both private and public sectors were linked through the SYITC, providing for the first time a holistic approach to helping local businesses engage in International Trade. The South Yorkshire International Trade Centre acts as a conduit for the delivery of international trade strategies through providing services to companies that eliminate confusion in the marketplace, develop and improve export market capability and improve the quality and consistency of the delivery of support services. This support is to be offered under one management structure and direction.

The provision of services focuses on diagnosis, benchmarking and action planning within companies to implement projects of an international scope that will increase the capability of the firm to trade internationally. A broad range of assistance and interventions is available to assist firms identify new opportunities through market information, research and knowledge management and the creation of new channels to market. Jointly developed Action Plans seek to improve market awareness and marketing capability and create a real customer focus where a "step change" in the internationalisation process can be achieved.

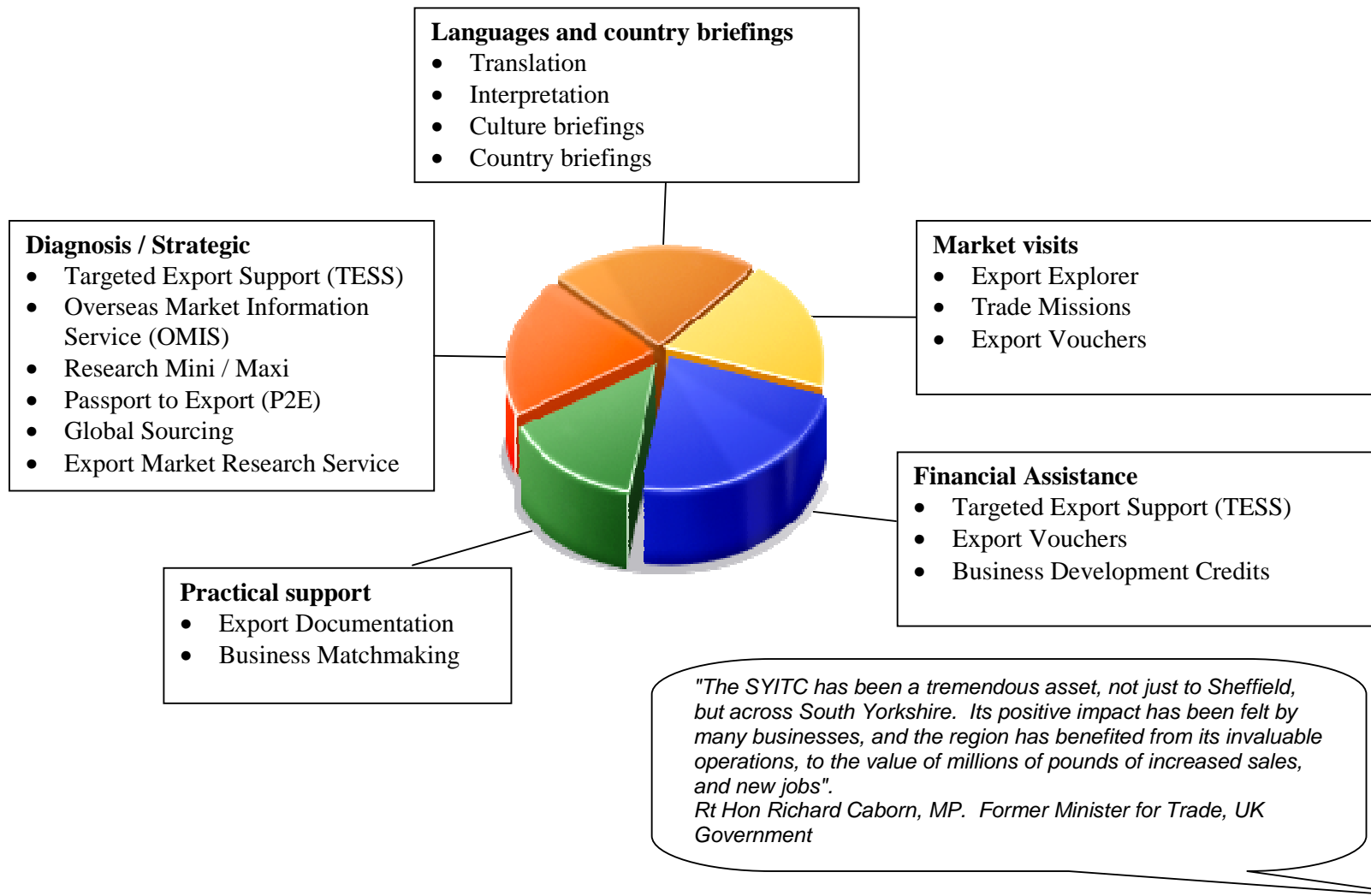
The strategic aim of the SYITC is to encourage and support business growth & development through offering access to a first class, demand led suite of integrated international trade services that are consistent with the Regional International Trade Strategy. The impact of the services within the business community is significant during and after the intervention and will ensure a desirable improvement in overall growth of the economy with more firms being introduced to international trade for the first time and existing exporters improving their positioning in various stages of the internationalisation process.

The route to market for delivery of services is via both established and innovative mechanisms. Firstly a team of International Trade Advisors (ITAs), with designated sector experience, have responsibility for a key client portfolio. They develop long-term relationships to offer strategic advice and guidance to assist companies make a "step-change" in their international trade activities. As a service portfolio the Advisors have direct access to all services provided by SYITC. This team of ITAs were recruited in a move that would both add more credibility to the SYITC, and provide a platform from which we could deliver our contractual outputs. By providing sector focussed advisers rather than the traditional method of allocating each adviser a geographical region in which to work, the SYITC ensured businesses received expert advice tailored to their needs by advisors who were knowledgeable in their field rather than the all too frequent generalist knowledge available elsewhere.

The SYITC also recognised that the success of international trade does not start and end with selling a product into a new market. Rather, in order to increase chances of being successful, significant effort should be spent on business diagnostic, research, and strategy development.

In order to support this research activity, the SYITC recruited a team of dedicated Research Advisors. This team works alongside the ITA's and businesses to provide tailored research reports into the viability of certain markets for their products, therefore allowing an informed judgement to be made before heavy investment occurred. They share a joint CRM solution, across the rest of the Chamber

The services provided by the SYITC were designed to be a holistic package of support ensuring that businesses could benefit from the services of the SYITC whatever their need was for international trade support. The diagram below highlights some of the services offered, and denotes some of the innovative approaches taken by the SYITC - many of these services are not available by other providers.

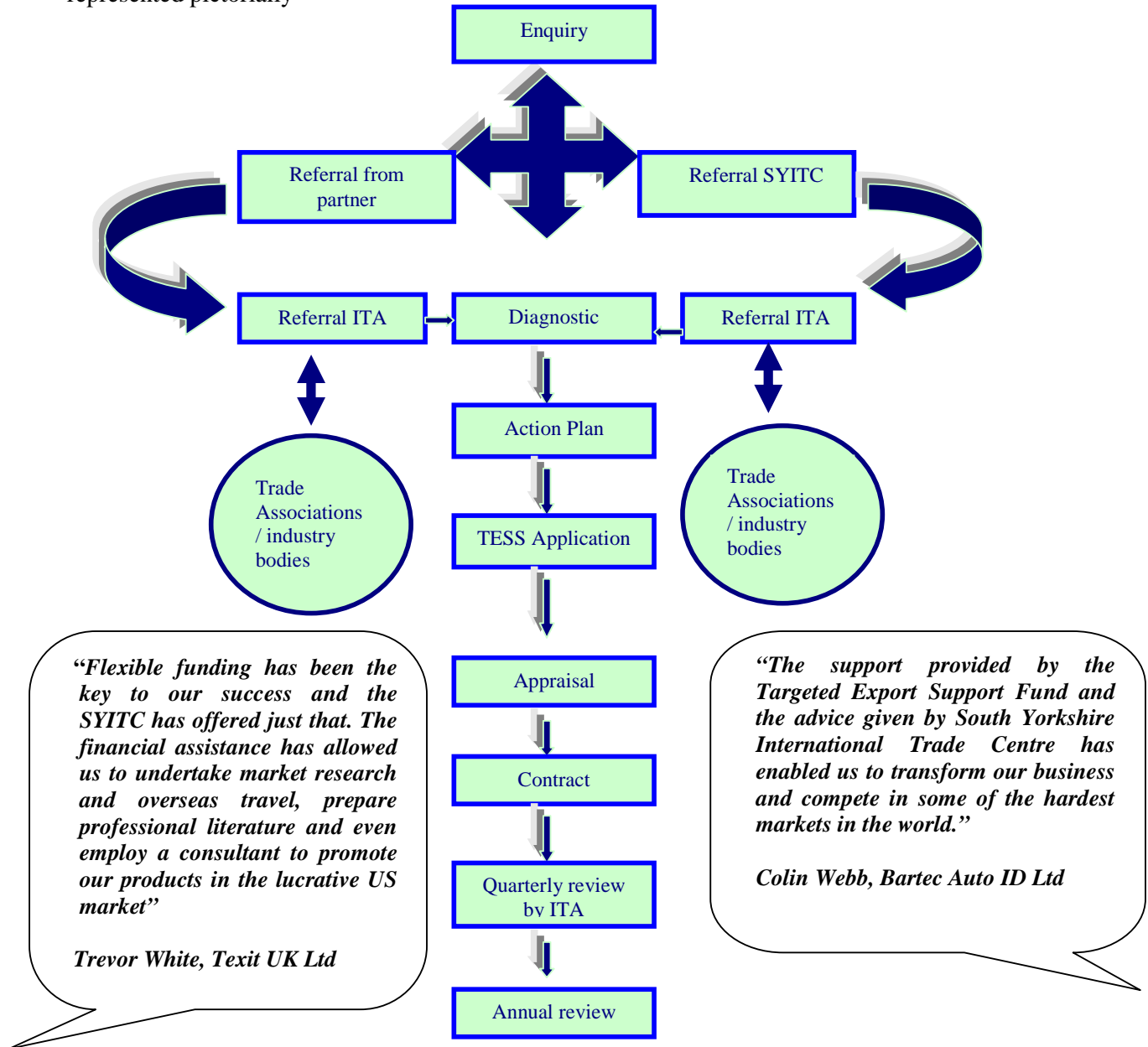


- **Passport to Export (P2E)** – this is a 2 day workshop aimed at businesses that have not been engaged in international trade previously. Delivered now under licence from the UK Government, P2E has its intellectual property roots in the Chambers that form the SYITC
- **Export Explorer** – an innovative scheme developed around the concept of a trade mission. Blocs of countries were selected that businesses were able to visit, with arranged briefings and tours organised to give an indication and high level understanding of international trade potential in those countries. These visits were frequently followed up by detailed, focussed research, and a relevant Market Visit.
- **Export Vouchers** – a concept to encourage initial activities within an international arena. A modest financial contribution was made to businesses that undertook an identified step along the development of their export strategy.
- **Export Research Mini / Maxi.** Recognising that research provision through UK government sources was at times, slow, and somewhat unwieldy, the SYITC launched its own versions of research packages, at a fixed price, taking advantage of the resources available to it, and the worldwide Chamber network.
- **International Documentation** – Consistently achieving Excellent ratings for the export documentation processing service, and recording one of the highest percentage uses of electronic documentation processing services
- **Language Translation** – The Centre provides a translation service that caters for over 300 languages, and boasts a 100% customer satisfaction rate for the last 2 years. All translators adhere to a strict quality level agreement, and are fully accredited. Significant commissions include the translation of printed materials for the G7 Finance Ministers meeting in Sheffield.
- **Language Interpretation** – Only using native speakers the SYITC prides itself on providing expert tuition where needed for business transactions. Previous services have **included sending a Japanese interpreter to Japan several times to help a Sheffield business secure a financial deal.**
- **Business Matchmaking** – the Centre has become an expert in realising business to business relationships and matching opportunities together. It has acted as the “National Counsellor” for 2 EU - Asia Partenariats, - in Thailand and China.
- **Targeted Export Support Scheme (TESS)** – The flagship service of the SYITC. TESS offered businesses match funding grants of up to £10,000 to achieve a step change in their level of international trade. This grant was aligned to strategy developed in conjunction with the International Trade Advisors

In addition to working in partnership with organisations from both the public and private sectors, the SYITC leveraged Public Funding on an unprecedented level in Yorkshire. The contract from 2006 – 2009 is the highest ever trade contract awarded by local government in Yorkshire and is valued at US\$14 million. This has been invested in making the Centre the success that it is, and the contract was delivered by a team of 8 International Trade Advisors, 3 researchers, 2 funding executives, 3 administrators, and 1 Centre Manager. This front line delivery model was supplemented by the back office operations of Sheffield Chamber of Commerce, including departments of Human Resources, Finance, and Membership

The activity of the SYITC was supplemented by a focussed effort to increase the international delivery activities of the Chamber itself. Sheffield Chamber has run a trade mission portfolio for over 30 years but over the last few years has built a name for itself in running overseas delivery contracts with other partners. The Chamber has done this so as to develop a first hand network of contacts all over the world that can provide an invaluable research and information resource when queries are received from businesses using the SYITC. Projects have been undertaken in countries including PDR Laos, Vietnam, Thailand, China, Morocco, Egypt, Turkey, Serbia, Bosnia, Croatia, Slovenia, Brazil and the USA

**Engagement with businesses is the key** to the operation of the SYITC, and this can be best represented pictorially



There have been numerous difficulties that have had to be overcome in the implementation of this project, including that of organisational pride. The success of the SYITC has been dependent upon complete co-operation across organisational boundaries, and ensuring this level of trust has been key.

South Yorkshire is a region that is rich in personality and independence. Businesses are traditionally slow to seek help, and ensuring that the take up by businesses of the provision of such overt business support was not perceived as a negative step was crucial.

This project was part funded by governmental funds and that in itself can frequently prove to be a barrier to implementation of projects. This project has been burdened by a level of reporting and data capture that would make such a process difficult, however, maintaining the focus on the member businesses receiving the service has meant that the reporting process has been modified to ensure that it adds to the value of the project and doesn't detract from it.

#### **4. What have been the results and influence of this project? (Short and long term impact, measurable data, benefits)**

This project was always designed to have long term positive impacts on the fortunes of the businesses we assisted.

During the year to 31 March 2008 the Centre received a **100% customer satisfaction** figures from clients that had accessed the services of the Centre. Satisfaction levels were one of the key drivers behind the management of the Centre - we needed to ensure that the activities we were carrying out were meeting the needs of those we were servicing.

The project set itself stretching objectives in terms of the following areas:

- Businesses assisted
- Jobs safeguarded / created
- Increased / safeguarded export sales
- New markets
- New exporters
- Private sector finance attracted

Over the 2 years since the contract commenced **over \$90m of export sales** and in **excess of 500 jobs** have been either created or safeguarded.

More than **1,000 businesses have been assisted** through the Centre, and **more than \$2m of private sector finance** has been invested. The Centre has provided direct support to businesses that has resulted in **over 300 new markets** being opened up for trade, and has **created 135 new exporters**. Not all businesses that the Centre works with are suitable for international trade at that stage of intervention and Passport to Export is a service which helps identify those businesses. **245 potential exporters** have attended the Passport to Export course.

**5. Can your idea be applied in other parts of the world? (Please explain how and why)**

This project was built with ease of implementation and justification for spend of public funds at its centre. Therefore, the potential for replication is inherent with the structure of the SYITC.

The UK operates a private law Chamber system, and as it incorporates at its heart co-operation between organisations it is inherently able to be replicated in any location around the world.

This project has been underpinned by financial support from the public sector, and whilst this has helped the project to be an exemplary success, there is no necessity for the funds in this project to be leveraged for the concept of joined up thinking, and reaping the synergies of partnership working to be implemented elsewhere.

The concept behind this project was one of maintaining a focus on the end user, the Chamber members, and other businesses wanting to increase their level of internationalisation. This focussed the mind in terms of ensuring that artificial barriers, created by protectionism of organisations and self interest, were minimised. Co-locating workers in the same office was a tremendous advantage as well, as this ensured team working, and sharing of information on a level that might otherwise not have been reached.

The potential for replication is not simply academic thought or opinion. **The project has already been successfully adapted to local needs and replicated** in a number of countries with dramatic results

**6. Why do you feel your project should be selected as a finalist and presented at the 6th World Chambers Congress?**

The SYITC is an **innovative model** that has been instrumental in the development of international trade activity levels in the region, and **has helped to re-energise an economy** that has suffered significantly during the dramatic economic conditions of the mid 20<sup>th</sup> Century.

The project **offered outstanding value for money**, with a return in **excess of 30:1** for increased export sales for every £1 invested, and has had a real and tangible benefit on many businesses within our Region.

The structure of the SYITC has also been exported to wider markets, with similar projects, under the consultative development of Sheffield Chamber having been developed in countries as diverse as PDR Laos, Vietnam, Turkey, Brazil and the USA

The success of the SYITC can therefore not simply be judged in terms of what it has done for the area it originally served but in terms of what it has achieved for areas around the world that have implemented the model and benefited from the internationalisation of those respective areas. The model is now **recognised as an exemplar by the EU** and is being considered by UNIDO and the World Bank.

It has brought **dynamic interventions** and results at a **fraction of the cost** and in less time than more traditional methods of international trade support.



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JM/SKC/Corr2745  
19 February 2009

Dear Nigel

**South Yorkshire International Trade Centre**

Sheffield City Council and Sheffield Chamber of Commerce and Industry (SCCI) have a long and productive tradition of co-operation. This has particularly been the case over the last ten years, and jointly we have seen Sheffield's economy recover significantly from two decades of decline. I firmly believe that this work has enabled us now to move to plan positively for the transformation of our city's economy.

Part of this work has been the establishment of the South Yorkshire International Trade Centre. The SYITC has been extremely important in developing Sheffield's ability to trade as an economy, and to ensure that we developed and maintained an outward focus in terms of economic opportunities. This has been crucial in enabling us to diversify our economy, to eradicate the unemployment gap between Sheffield and the national average, and to boost enterprise in the city.

Specifically, we have worked in partnership with the SYITC to facilitate access to information and research (both domestic and international) to the library service. This information has been available for our joint staff and clients in terms of business development. The broader testimony to the work of the SYITC is the extent to which it is seen as **ground breaking** and has been **award winning**. This has been in recognition of its **contribution to the development** of the local and sub-regional economy to its support of businesses. This is further evidenced by the fact that SCCI is the lead partner on behalf of the other Chambers in South Yorkshire, and through this we equally recognise the support other sub-regional local authorities have given to the Centre.

Quite simply, we believe that the partnerships we have developed in general, and specifically on this initiative, are an excellent example of effective partnership working, which has been held together through mutual respect, good planning and the focus upon a common goal.

The City Council highly commends the operations of the Centre as a flagship model for best practice, and support to businesses. We would encourage its replication for other cities wanting to demonstrate high quality support to their business base.

Yours sincerely

John Mothersole  
Chief Executive