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Courage to broaden horizons pushes growth to a new level

Exporting is a challenge, but we are here to help

Two small businesses have found foreign markets the key to success, writes Katherine Griffiths

When German shoppers look online for something cosy to wear, they search for ponchos, while Aussies love the colour that Brits know as American tan.

These are just a couple of the cultural differences that Niamh Barker, managing director of the Travelwrap Company, has discovered since sales soared overseas.

Ms Barker used to work for Pfizer, the pharmaceuticals group, and travelled extensively. On an aircraft she preferred to tuck her favourite cashmere jumper around her, rather than use a scratchy inflight blanket.

When she stopped work to take care of her family, she devised a shaped cashmere wrap that sells for more than £200 and has fans from the fashion glitterati to world-weary business travellers.

Travelwrap, launched in 2007, has sales of £350,000, 35 per cent of which are from exports to nine countries, including Australia, Japan and the United States. "Ours is a one-size-fits-all product, knitted in the UK," she said. "We had strong British brand credibility and no sizing issues, so the product sells well online."

Progress hasn't been entirely straightforward. "We've had to introduce parallel websites in different languages, so we now have six," Ms Barker said. "We've also had to refine the search engine optimisation elements of the sites, so that overseas search engines will find us and offer multiple currency transactions."

Travelwrap decided to offer free standard delivery to anywhere in the world to reduce the barriers to overseas purchases. "But you still need old-fashioned offline sales and marketing, so we now have representation in Munich to manage our German public relations and marketing and manage introductions to the wholesale market in their own



Niamh Barker says that Travelwrap Company offers its website in six languages and features free international delivery

language," she said. The German office opened recently and soon the company hopes to open small outposts in its other big overseas markets of Australia and the US. Ms Barker has been on three overseas trade missions this year with UKTI to Japan, Belgium and Austria.

Jim Griffin was about to walk away from his acoustic and thermal insulation business 18 months ago. "I was feeling bad that I hadn't managed to run it better than I had. We weren't making money and we were not moving forward," he said.

How things have changed. Automotive Insulations, which had 40 staff two years ago, now has 120. Next March the manufacturer will move into new premises in Rugby that are twice as big as its old site and it has

Tips from the top

Niamh Barker Harness social media to build your brand and engage with your customers; you can't not these days, and it works

Jim Griffin Know your business plan inside out. Live with it, change it, don't just put it in a drawer

expanded into Sweden and Germany this year. The company, founded in 1966, has its roots in the automotive business. However, it is also moving into other insulation products, including insulation for hard floors.

Turnover in Germany is set to climb from £500,000 to £5 million by the end of June because of some big contracts that the group has won with

original equipment manufacturers. "Recruiting in Germany has been surprisingly easy and production wages have been lower than I had expected," Mr Griffin said.

Funding the overseas expansion has been the biggest obstacle because British banks would not sanction funds for overseas operations. In Germany he has made provisions to finance the new operation for more than a year until it is able to finance itself.

Switching banks in Britain has also helped to provide banking contacts on the Continent.

Sales rose from £5 million in January last year to £12 million in September this year and are set to be £16 million next year and between £24 million to £30 million in 2015 on the basis of orders already signed off.

How to respond when the grand vision becomes a cold reality

Timothy Barnes

New ventures are started for many reasons, with one of the most common routes beginning with someone doing a job they like in a big company and thinking they want to do it for themselves. They start out small and wake up one day to realise they are managing a substantial business.

For example, do you know how big your business can be before you have to start worrying about maternity and paternity leave?

Do you even know when you

would have to start paying VAT? Government websites are increasingly good at offering the factual information, but everyone running a small business must be aware that learning how to do these things — either themselves or by bringing in and managing others to do them — is a critical part of their role and not a distraction from the "real" job.

Do you do or do you lead?

An unsettling point for many comes when, for the first time, small business leaders realise that their business has clients they have never

met. If you have spent five years or more building up a business, worrying about your reputation and chasing every last detail, then letting go of some of those close relationships can be hard.

But it must happen if the business is to grow. In my experience, this tends to be when companies reach about 20 to 25 staff.

This varies hugely by industry but, for every business leader, there is a point when you simply don't know what everyone in your business is doing every day and you need to shift from doing to leading.

Is growth found at home or away?

The UK is one of the best places to start and build a business. There comes a point, though, when ambitious small companies want to look farther afield.

Too often, there is a tendency to cultivate traditional and natural trading relationships overseas, such as the United States and the rest of the English-speaking world, but better knowledge and research might tell you that opportunities are to be found in developing or alternative markets. But doing business overseas is often hampered by a lack of local cultural

understanding. Think about the value of exchanging gifts in China. Small-business leaders must take the time to learn complex new markets properly.

So where's the help?

If you don't have the experience in-house, borrow it from those who do. You can make use of groups such as the China British Business Council or trade missions, such as those organised by UK Trade & Investment. Decent local accountants should be highly prized, and universities can help with short-course programmes.

● Timothy Barnes is director of UCL Advances

Lord Green of Hurstpierpoint

Just over two years ago, I invited the Prime Minister to launch the National Challenge to increase the number of companies exporting from one in five to one in four.

The Government has made exporting a high priority. UK Trade & Investment, its international trade promotion department, and UK Export Finance, the Government's export credit guarantee agency, aided by chambers of commerce, trade bodies, banks, accountancy firms and lawyers, are focused on providing support to small businesses entering or growing in the export market.

UKTI and embassy staff around the world are putting an immense effort into assisting UK companies. In our key markets British business centres are being set up for companies to use office space, make connections and get the latest market information.

Businesses can benefit from a plethora of help — expert advice on getting ready to export — from international trade advisers based around the UK and from in-market specialists, as well as access to funding to go to trade shows worldwide and join overseas trade missions.

I have travelled to 56 countries as Trade Minister, and everywhere I go Britain receives a very warm welcome and a call for more British businesses to enter their markets. Our business ethos, creativity and high-quality products and services place UK companies in prime position to succeed overseas. UK Export Finance's new products are aimed at SMEs, providing guarantees and insurance to help to secure contracts and, where appropriate, direct funding. UKEF has advisers around the UK and in key overseas posts to support UK business on the ground.

Businesses of all sizes, whether start-ups or established companies, need to think of exporting as a logical next step. All the evidence from surveys conducted by academia, the private sector and government shows that companies that export become significantly more efficient, they earn more, they last longer, they are more robust and, crucially, they create more jobs. The benefits are clear.

● Lord Green of Hurstpierpoint is Minister of State for Trade and Investment