

# Services provided by a TSI network

Including services provided by a network of foreign trade offices

December 10, 2008

Rev. No. 1.03

Contract No. 2008 - 23019

**This document was prepared for:**

**Bertrand J. MONROZIER, FTR Coordinator, TSI Strengthening Section, ITC, Geneva**

**For further information contact:**

Peter Bennett  
Trade Development Consultant  
12 New Grange Road  
Blackrock  
Co. Dublin  
Ireland

Tel: +353 1 2892187  
Mobile: +353 87 797 5982  
Email: PeterBennett1@Eircom.net

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## Introduction

This document was written for Bertrand MONROZIER, FTR Coordinator TSI Strengthening Section, ITC Geneva. It lists the services a trade support institute (TSI) could provide to its clients.

*Table 1: TSI Core processes*

	Resource / Variable	No Added Value (Distributor)	Added Value (Multiplier)	Intermediary (Advocacy)
1	Financial			
2	Human Resources			
3	Info & Know-how			
4	Assets and Infrastructure			
5	Alliances & Networks			
6	Management			
7	Production			
8	Marketing			

This document only addresses the standard services provided by a TSI and a network of FTRs to client enterprises.

It categorises services in terms of **added value** (see Table 1: TSI Core processes) and on the level of **difficulty** associated with providing the service.

This document does not address issues associated with the following Resource / Variables: Financial, Human Resources, Asset and Infrastructure.

## Issues

There are number of issues associated with a listing of services. These are:

1. In the vast majority of cases one of the objectives of a TSI is to assists small to medium sized companies develop sustainable business. Successful companies contribute to the generation of export trade, increased wealth and employment. TSIs do not generate export sales or employment. They must work in partnership with industry. A TSI can

offer a range of services that accelerates the achievement of sustainable business.

2. The range of services is dependent on two factors. First, the needs of industry, and secondly, the capability of the TSI to satisfy those needs. Some of the needs of industry may fall outside the mandate of the TSI. For example, a company may have a need for financial advice, or advice regarding packaging. The TSI may not have a mandate to work in these areas, or may not have the capability to provide advice in these areas.
3. The range of services must relate to the makeup of the client base. The services must meet the needs of individual clients or at the very least clearly defined sectors. Otherwise the services will not be effective.
4. A TSI can provide industry with a range of defined services. Industry then selects from the list. Virtually all TSI will have a defined listing of services. Many of these will be “off the shelf” or “basic” services. They are relatively easy to provide, once assets are in place. Most are low added value.
5. A basic service is normally provided to all eligible exporters. "Basic" is defined by the individual TSI. What is "basic" for one organisation may not be "basic" for another. Basic services may be of high value to a large segment of clients.
6. The TSI organisational structure has an influence on the range of services that it can realistically deliver. For example, each client company will have different ambitions, capabilities and needs. These needs are continuously evolving. The majority of companies will want flexible, tailor-made sets of solutions. In order to deliver services of this nature the TSI's structures and strategies must be aligned to match the expectations of industry. This may be very difficult to achieve due to the institutional environment in which the TSI works. For example, the FTRs may be employees of a ministry of foreign relations. Because of the ministry's mandate, and the location of the FTRs, the FTRs may find it very difficult indeed to develop a close relationship with industry in the absence of linkages or networks with other organisations. Unfortunately, the creation of workable linkages and networks is easier said than done.

7. An added difficulty is the development of services that are genuinely effective in meeting the commercial needs of industry, while at the same time delivering these services within a conventional government organisational structure. A TSI will want to achieve specific results, e.g. an increase in the number of successful exporters; growth in exports; increased employment, but may be hampered when it comes to working with industry within the bureaucratic environment of a ministry, or government organisation. The problem starts with the replication of existing and conventional models of service. There are no risks for the TSI or for the individual FTR. The result is participation in more trade fairs; larger trade missions; the publication of country profiles and generic reports on market opportunities; PR activities aimed at promoting the country's industrial capacity; addressing all market enquiries, and many other such activities. These are valid services and should, of course, form part of a TSI's service package. Unless these services are customised to the needs of individual clients, the impact is likely to be low.
8. Designing client specific services necessitates a pro-active involvement with industry. It is significantly more complex and difficult than engaging in conventional trade promotion. It involves setting priorities; concentrating resources in areas of the greatest return and developing a close relationship with industry. The level of consultation with industry must be very high. It can only be developed with human resource assets in the home market. In the absence of consultation, the needs of industry cannot be ascertained.
9. The listing of services, which starts on page 6, attempts to categorise services into low added value and high added value, and into perceived levels difficulty. These **categorizations are subjective**. It is the target audience who will define value. The client, i.e. the exporter will have the final say regarding value. The level of difficulty is dependent on personnel within the TSI.
10. High value services would fall into the following general categories:
  - ? the stimulation of exporters and groups of exporters to evaluate and adopt appropriate strategies in foreign markets;

- ? working with individual exporters to identify long term goals and targets, barriers to their achievement and the strategy to overcome these constraints;
  - ? tailoring services to meet the specific commercial needs of individual exporters;
  - ? analysing and interpreting market data;
  - ? adding value to information;
  - ? providing the exporter with well-thought-out strategic options appropriate to the exporter's size and financial resources;
  - ? challenging the exporter as to the commercial wisdom of a particular action.
11. The listing included services provided by a unit in the home market and by the FTRs.
  12. Once a TSI promotes a service, the delivery of the service must be uniform across the network.
  13. The TSI may have to retain temporary staff and / or specialised assistance to deliver a service in the time required.
  14. If a TSI is to improve its service offering, it must monitor everything that is being said about its services and the capabilities of its staff.
  15. It is difficult to move from low value added offerings to high added value offerings. One way of progressing is by incremental improvements in individual services. In certain circumstances this may not be sufficient, and the TSI may be forced to create new high added value services from scratch to meet the current needs of industry.
  16. Satisfying the current needs of industry may not be sufficient for the TSI to meet its mandate in the long term. A TSI must estimate what the needs of its priority clients and sectors will be in 3 years time, at the minimum. It must develop a deep understanding of the environment in which its clients will work in the future, and prepare to deliver services appropriate to future needs. Otherwise the organisation is likely to find itself out of sync with industry.

## Listing of Services

Note: There is no significance in the order in which the services are listed.

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
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1	<b>Market Information Service / Centre</b>	?		1 – 5	1
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Normally housed in one physical location in the home market. The centre provides access to market research reports, company databases and similar sources of intelligence. Export / import statistics and other quantitative and qualitative data are available. The information in the Centre comes in the form of printed reports, CDs and subscriptions to online databases. Information specialists use these resources to answer phone or email queries from clients.

- Market research:  
Economic indicators, forecasts, trends, newspapers & periodicals.
- Company information:  
Company profiles, competitor intelligence, suppliers.
- Country information:  
Guides to doing business in other countries.
- Trade information:  
Export documentation requirements, tariffs, duties, taxes.
- Regulatory & Standards:  
Legislation. Standards – IS, DS, ISO, FDA, etc.
- Technology:  
Innovation, automation, production and manufacturing.
- Management:  
Books and periodicals on best practice in management theory.

Populating an information centre must take account of the likely needs of the client base.

ITC have specialists in this field.

<sup>1</sup> A 1 is low value, progressing to a 5 which designates very high value. This rating is subjective.

<sup>2</sup> A 1 denotes little difficulty in setting up the service, while a 5 denotes high difficulty. The rating has no bearing on the cost of setting up the service. For example, a service could be set up with little difficulty, but could be expensive to run and maintain.

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
2	<p><b>Basic consultation service</b></p> <ul style="list-style-type: none"> <li>▪ May be part of an “educational” mandate</li> <li>▪ Help for new companies to ensure they are “export ready”.</li> <li>▪ Advice as to where to start exporting.</li> <li>▪ Training for new exporters</li> </ul>	?	?	4	2
3	<p><b>Medium level consultation service</b></p> <p>The same as No. 2 but in much more depth.</p>	?	?	4	4
4	<p><b>Training and management development</b></p> <ul style="list-style-type: none"> <li>▪ Training programmes on international marketing with third level educational institutions, e.g. universities either at home or abroad. Aimed at CEO’s, sales directors and business development executives. Could be jointly financed by the TSI and clients.</li> <li>▪ Management training</li> </ul> <p>The TSI may or may not engage directly in training. They could lobby third level institutions, or work with a local institute of management in the design of courses appropriate to the needs of its client companies.</p>	?		5	1 – 3

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
5	<b>Network of foreign offices</b>		?	4	4

Trade offices can provide the following services:

- Help companies market and sell products.
- Help companies get access to buyers
- Make high level introductions.
- Carry out basic market research<sup>3</sup> for clients.
- Physical assets, i.e. desk, telephone, access to a library, secretarial services, and other support for a visiting exporter.
- Incubation unit. Provide the exporter with access to a services office for a limited period of time (less than 12 months) at a subsidised rate.

<sup>3</sup> Market research projects that are likely to last more than 5 days should be subcontracted to an outside agency. Few trade offices will have the capacity to take on such work, even if they have the capability to do so. The TSI must set some limit. There will always be exceptions.

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
6	<p><b>Advanced level consultation service</b></p> <p>The TSI stimulates exporters and groups of exporters to evaluate and adopt appropriate strategies in foreign markets.</p> <p>Personnel can work with individual exporters to identify long term goals and targets, barriers to their achievement and the strategy to overcome these constraints.</p> <p>The TSI can provide the exporter with well-thought-out strategic options appropriate to the exporter's size and financial resources.</p> <p>The TSI has the capability to advise client companies on all aspects of a marketing plan. The FTRs can address strategic marketing issues related to their markets.</p> <p>Some examples:</p> <ul style="list-style-type: none"> <li>▪ <b>Marketing plan</b> The TSI can challenge the exporter as to the commercial wisdom of a particular action.</li> <li>▪ <b>Finance</b> How are you going to finance this marketing plan? Here are some options. How are you going to allocate you marketing budget? Are you going to spend you entire marketing budget on a trade fair? Is this a good idea?</li> <li>▪ <b>Human resources</b> Do you have the right people? Who is going to manage your distributors in Europe and South America?</li> <li>▪ <b>Market entry strategies</b> Here are the market entry options for market X, based on size and financial resources?</li> <li>▪ <b>Market research</b> Who has carried out the market research? What assumptions have you made? Are they realistic? Do you know how you competitors are operating in market X? How are they going to react? The FTRs can analyse and interpret market data.</li> <li>▪ <b>Design / Packaging</b> What have you done to make the product or service more attractive to the buyer vis -à-vis you competitor. What is the unique selling proposition?</li> <li>▪ <b>Logistics</b> Are there logistics issues you haven't thought about?</li> </ul> <p>Only very experienced executives can engage with a company at this level.</p>	?	?	5	5

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
7	<p><b>Holistic approach to company development</b></p> <p>There are very few trade promotion organisations that have moved into this space. These organisations would classify themselves as industrial development organisations. They have significant in-house capability, and have strong linkages and networks, which enables them to impact on <b>all aspects</b> of a company's business.</p> <p>The organisations that work at this level have gradually moved into the area, developing capabilities over many years.</p> <p>The disciplines that are addressed are:</p> <ol style="list-style-type: none"> <li>1. Design and packaging</li> <li>2. Human resources – advice</li> <li>3. Identification of new sources of raw materials</li> <li>4. Provision of finance</li> <li>5. Human resources</li> <li>6. e-Commerce</li> </ol>	?		5	5
8	<p><b>Business introductions</b></p> <ul style="list-style-type: none"> <li>▪ Organising a programme of business introductions in the <b>most important service</b> of a FTR network. It is valued by all exporters, both small and large.</li> <li>▪ The service can range from straight forward making appointments for an exporter in an export market to counselling on appropriate market entry strategies, and opening doors for clients with key decision makers, buyers, procurement specialists in the right organisations.</li> <li>▪ The FTR provides in-market assistance to clients wishing to build share in markets where they may have existing business or are entering the market for the first time.</li> <li>▪ High level business introductions. It may be necessary to call on the assistance of senior government and diplomatic representatives.</li> </ul>		?	5	2-5

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
9	<p><b>Trade Missions</b></p> <p>This activity is the same as business introductions above, except that the FTR has to organise groups of programmes at the same time.</p> <p>As the number of companies on a mission increases so to does the logistics problems. It may be necessary to retain temporary staff for these projects.</p> <p>Added value is very high provided the meetings are customised to the needs on individual participants. Otherwise the value may be quite low.</p> <p>Join effort between the home market and the FTR. The bulk of the work is carried out by the FTRs.</p>	?	?	4	4
10	<p><b>Trade Fairs</b></p> <p>Organisation of national exhibits at international trade fairs.</p> <p>The key strategic decision is the selection of the trade fairs. Once the decision is made, the management of the project can be subcontracted to a third party.</p>	?	?	3	1
11	<p><b>Seller buyer meetings.</b></p> <p>These meetings can take place either in the home market or in and export market.</p> <p>A typical example is where a TSI invited a group to buyers to visit the home country and sets up meetings with exporters.</p>	?	?	5	3
12	<p><b>Market research</b></p> <p>Market research provided by the network of foreign trade offices.</p>	?	?	4	4
13	<p><b>Generation of opportunities for exporters</b></p> <p>Actively seek opportunities of names companies. The key to success is commitment from the companies. Otherwise the activity is likely to be a waste of time. There is no point in generating opportunities for companies who do not have the capacity to supply or who are committed to a different export market.</p>	?	?	3	4

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
14	<p><b>Responding to market enquiries</b></p> <p>In many cases the enquiries originating in a market place do not transfer into business. The FTR must manage this activity. However, it is <b>not</b> a key activity.</p>		?	1	1
15	<p><b>Raw material sourcing</b></p> <p>In some cases this may be a very important service. (Normally this is not part of the service offering of a TSI.)</p>		?	5	4
16	<p><b>Assisting companies establish presence in the market</b></p> <ul style="list-style-type: none"> <li>▪ Selecting and appointing distributors</li> <li>▪ Establishing a sales company</li> <li>▪ Identifying acquisition targets<sup>4</sup></li> </ul>		?	4	4
17	<p><b>General business advise</b></p> <p>Valued by all exporters.</p>	?	?	3	3
18	<p><b>Market intelligence and new developments</b></p> <p>The FTR, when requested, maintains contact with local company representatives. The FTR provides feedback on local market reaction to a product or service and on new developments in the market. In order to be effective, the FTR must specialise. General information is of low value.</p> <p>If the information is not specific and targeted the activity will tend to impact unfavourable on the reputation of the TSI.</p> <p>The activity might be coordinated by the TSI in the home market.</p>	?	?	4	4

<sup>4</sup> This is a highly specialised activity. In the vast majority of cases the task of the FTR is to refer the company to professional advisers who specialise in the activity.

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
19	<p><b>Access to a network of trade consultants</b></p> <p>This is in addition to access to a network of FTRs.</p> <p>Where <b>no</b> FTR exists, the TSI provides access to a trade consultant, retained by the TSI.</p> <p>The TSI assists companies develop markets where there are <b>no</b> local offices or FTR presence. This is accomplished by the TSI appointing local regional consultants to advise and assist client companies. The client may have no direct relationship with the trade consultant, but rather work through a regional FTR or through the TSI in the home market.</p> <p>Using local trade consultants is a way of securing market coverage at a very low cost compared to opening a trade office.</p>	?	?	4	1
20	<p><b>Financial assistance</b></p> <p>Some TSI provide financial assistance to companies that are undertaking new initiatives in a market. The finance is provided by way of a grant or subvention and underwrites portion of the cost associated with a marketing activity. There are strict eligibility criteria in place, and checks to ensure that funds are used as intended.</p> <p>A percentage of the total cost of the activity or a fixed sum is provided. Activities that could qualify are:</p> <ul style="list-style-type: none"> <li>▪ Travel</li> <li>▪ Design fees</li> <li>▪ Cost of participating in a trade fair</li> <li>▪ Cost of inviting a buyer to visit the home market</li> </ul> <p>Some organisations have very sophisticated schemes in place. Such schemes are now illegal within the European Union as they distort the internal market. However, companies who reside outside the European Union may avail of such assistance.</p>	?		5	1

Ref.	Description	Home Mkt	FTRs	Value added (1-5) <sup>1</sup>	Difficulty (1-5) <sup>2</sup>
21	<p><b>Export documentation</b></p> <p>Assistance with export documentation. This service could be important for small companies who are just beginning to export. More experienced exporters do not need this service, and they are likely to have the capability in-house.</p> <p>The TSI could run a training programme in export documentation.</p>	?		1 – 5	2
22	<p><b>Build awareness of the importance of exporting</b></p> <p>Although no strictly a service, it is an important function of a TSI to build awareness of the importance of exporting.</p> <p>Publicise successes. It is much more important to do this in the home market.</p>	?		4	1

## Notes