



FOLLOWING UP WITH CLIENTS TO ENSURE IMPACT

EVALUATING IMPACT ON CLIENTS OF SERVICES

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Speakers:

- Mr Jim MAGUIRE, Manager, Export Marketing, Enterprise Ireland
- Kyoo Nam LEE, Regional Director, Latin America, KOTRA, Korea
- Mr Prakash BEEHARRY, Chief Executive Officer, Enterprise Mauritius

Moderator:

- H.E. PAN Sorasak, Secretary of State, Ministry of Commerce, Cambodia

TPOs are required to deliver reporting to different stakeholders, including their own Boards, governments and audit committees, as well as client and sector groups. This reporting must focus on impact rather than inputs. This means that mechanisms must be put in place to measure the export outcomes of clients rather than the activities of TPOs (such as numbers involved in missions and trade promotion events).

TPOs currently have a range of assessment processes, varying from country to country. There is an opportunity to enhance the standardization of measurement and reporting to maximize effectiveness. ITC has a specific role to play in benchmarking services in this area.

According to H.E. PAN Sorasak of the Ministry of Commerce of Cambodia, TPOs face daily challenges in having to increase the competitiveness of their client enterprises so that it leads to increased exports. TPOs also have to address two key issues in their efforts to set up effective impact evaluation systems: (i) identifying ways to assess whether they fulfil their official mandate (which may vary according to the TPO) and (ii) do they effectively address client needs.

Impact can only be measured through quantitative and qualitative analysis of a client's export outcomes and how these relate to services delivered by TPOs. The attribution of results to TPO activity is a challenge for all, as noted by Mr MAGUIRE from Enterprise Ireland. He said this is in spite of the organization's extensive client management systems.

Mr MAGUIRE talked about the real impact of Ireland's export drive. While most people will not know it as they travel back home, all of them will 'Fly Irish' as the specialized fabric on aircraft seats will very likely have been made in Ireland, the software to ensure efficient fuel management in flight will be Irish and the formatting of all movies for the on-board entertainment system will have been made in Dublin.

His organization, Enterprise Ireland (EI), aims to achieve 4bn Euros of exports in 2010, segmented by market and sector. EI is present in 14 markets in the world through 31 offices and works with 3,000 companies, of which 800 are key clients. EI defines targets at country level, then identifies companies that may contribute to achieving this objective and works alongside them.

Its client support system (CSS) tracks impact and records every transaction with clients. It is an online tool that allows Enterprise Ireland staff to track each project, each client. Information is completed by annual client survey (75% response rate).

However, says Mr MAGUIRE, there is no magic bullet in assessing the entire impact of their work. Like other TPOs, they find it is highly difficult to link their contribution to an actual export value. Also, different stakeholders have different objectives and measures: clients, the board, ministries have different expectations, so different measures may be necessary. However, the overall 4bn Euro export value remains.

The challenge is to move from input reporting (how many buyers met, how many missions, trade fairs) to output reporting. EI also recognizes that clients value support from their TPO, which may not necessarily lead to export: for example, a decision NOT to enter a new market based on a trade mission, or the opportunity to network among Irish companies as part of trade event

The relationship with the client throughout the lifecycle of the client's export activity is crucial to successful measurement and reporting. In some smaller economies, this means engagement pre-export to determine their trade development needs and what interventions are required, as noted by Mr BEEHARRY of Enterprise Mauritius.

Enterprise Mauritius's client base is multi-sectoral, multi-scale and has a differentiated market focus. Most of its clients are domestic-oriented enterprises that do not know what their needs are. The organisation uses a 3C model – competitiveness enhancement (CE), product conformity (CP) and market connectivity (CM) to assess their work. Through this they assess where, what and how services are required – a diagnostic process to help customize a client plan.

Enterprise Mauritius's assessment measure's a project's success, in the short and the long term and is impact based, not input based. They use an engagement process that defines what the needs and expectations are, going both ways. It builds mutual commitments with shared understanding based on face-to-face contact. 'When clients don't come to see us – we are happy that they have graduated,' said Mr BEEHARRY.

While export outcomes for a nation's enterprises are the bottom line, it is important to measure the impact of services delivered to business partners and buyers from other countries as well. Mr. Kyoo Nam LEE from KOTRA, Korea, noted that it developed a more aggressive strategy during the global financial crisis that led to stronger targeting of buyer engagement rather than client servicing. This has led to enhanced results in 2009, with KOTRA client performance up 1% against a total national export decline of 13%.

KOTRA was established in 1962, has 1,365 employees and offices in 74 countries (99 cities). The organization sees the crisis as an opportunity and takes an aggressive approach to finding new markets, and its services are now bigger and reach further than before.

The organization is expanding and focusing on new markets, which is a change in business strategy as it had previously focused only on Korean companies. Now it is finding global companies and trying to address their needs, helping Korean companies to enter foreign companies' value chains. They are doing this through a sectoral strategy where Korean companies have a competitive advantage, such as in the emerging biotech industry. The organization also focuses on events such as the 'Buy Korea' exhibition and participates in more international exhibitions.

They measure their impact through a do, check, act, and plan strategy with regular monitoring of different parts of the strategy (weekly, monthly, and annually). On an ad hoc basis, they also monitor client services and aim for constant improvement.

In the development of business partners, they aim for quantitative and qualitative improvement, both through numbers and impact. In 2009 the organisation saw an increase in clients and export value, despite the crisis, which shows that their strategy is working.

Presenting TPOs agreed that there is an opportunity to better share evaluation reports between sister TPOs from the countries involved in a specific trade promotion activity.

They also noted that clients value some services that do not necessarily lead to export outcomes, such as networking with enterprises from their own countries. This needs to be taken into consideration in designing evaluation processes.

KEY POINTS FROM BOTH BREAK-OUT SESSIONS

- Quality of client information and records is critical for understanding needs and performance
- Satisfaction surveys, for quantitative and qualitative results, are universally used
- Information is frequently gathered/collected immediately after interaction, but longer term follow up is valuable
- Ability to track tangible business results (certifications, export receipts) is very helpful but only some countries are able to obtain this information
- Good quality performance measurement drives performance improvement especially if organizational and staff KPIs are aligned
- Most TPO's have to respond to a range of stakeholders and are scrutinized intensively by government, audit, policy agencies etc