

Following up with Clients to Ensure Impact - UKTI

October 2010

Performance measurement and monitoring supports delivery of benefit to business and to the UK economy by providing:

- Sound understanding of business needs and of **how** UKTI services add value, to which types of clients, and under what circumstances
- Sound understanding of service quality strengths and weaknesses, and how they affect impact
- Robust accountability and measurement of value added to clients' business and to the UK economy
- Effective performance management – strong customer focus, increased professionalism, and staff skill development.

Following up with clients – *How*

Robust independent follow up with clients through:

- ***Excellent client records:*** Who received what help when, where, and how (CRM)
- ***Interviews with clients:*** Quantitative surveys of both users and non-users – mainly UKTI's Performance and Impact Monitoring Survey (PIMS)
- ***Depth interviews with clients:*** Qualitative studies – following up the quantitative surveys with depth discussions of particular topics e.g. the role of export help in accelerating business growth
- ***Time series data analysis:*** Tracking clients' performance over time against comparison group of non-users via independent data sources.

Following up with clients – *Survey interviews*

Surveys carried out by an independent market research specialist, by telephone. Client anonymity protected to encourage frank feedback.

- ***Quantitative surveys – main PIMS:*** 20 minute telephone interviews with 4000 clients annually. Robust random sample, representing around 15% of businesses helped. Interviews 4-7 months after delivery of support. Captures clients' views on quality, satisfaction, and business impact, both qualitative (e.g. access to new contacts) and financial (additional sales and profit);
- ***Quantitative surveys – PIMS follow up:*** 400 telephone interviews annually with clients who had been interviewed the previous year for main PIMS. Captures clients' up-dated views on business impacts, both qualitative and quantitative. Up-dated estimates of actual and expected additional sales and profit.

Surveys also capture rich information about client profile, business development, and export strategy.

The PIMS Interview is structured to ensure client interest and clear thought about business impact

Confirms the respondent is the correct person and recalls the support - using CRM records

Confirms the nature of the support - using CRM records or a list of options

Asks reason for using the support – i.e. business objectives

Client is asked to rate specific aspects of service quality – e.g. *quality and relevance of the information or advice provided*

Client is asked to rate:

- overall satisfaction;
- (OMIS only) were expectations met;
- how clear it had been made to them what to expect, e.g. format and content of report

Profile – e.g. size, innovation, R&D

Summing up - improved business performance. (questions used in measuring the UKTI target)

Won new orders, increased sales; financial benefit (additional profit)

Qualitative benefits to the client's business: eg improved overseas marketing strategy; gained access to contacts; raised profile;

Client is asked – briefly! - about overseas business and strategy, and previous export experience

“Client Follow Up – Key Findings”

- **Financial impact:** Average additional profit attributed to UKTI support has varied between around £100k and £200+k over 5 years of PIMS, representing estimated average additional sales of £700k-£1,400k per client. Total for UKTI £5bn additional profit, representing over £35bn additional sales;
- **Financial impact results from qualitative impact:** Clients who report additional sales and profit report important qualitative benefits such as access to contacts not otherwise available, and improvements to clients’ marketing strategy;
- **High financial impact reflects accelerated business growth:** The largest impacts result when trade support helps clients traverse a ‘*Tipping Point*’ in their business development, by successfully entering new markets, unleashing accelerated business growth. Academic research has identified new market entry as one of a number of typical ‘tipping points’ in patterns of business growth.

How UKTI makes a difference

UKTI trade clients consistently cite the importance of UKTI support in helping them to :

- ***Overcome barriers to new overseas business;***
- ***Gain access to customers/business partners not otherwise available;***
- ***Gain access to information not otherwise available;***
- ***Improve profile or credibility overseas;***
- ***Improve knowledge of the competitive environment;***
- ***Improve overseas marketing strategy;***
- ***Gain the confidence to explore or expand in an overseas market or markets.***

Client Follow Up Insights – *How services add value*

PIMS user and non-user survey results show that UKTI clients consistently report greater benefits from exporting e.g.:

- ***Achieving a level of growth not otherwise possible;***
- ***Raising profile and credibility;***
- ***Gaining exposure to new ideas;***
- ***Reducing their dependence on a single or small number of markets;***
- ***Utilising existing capacity more fully; and***
- ***Increasing the commercial life span of products and services.***

UKTI clients also much more likely to report substantial growth than other exporters. During the down turn, UKTI clients also more likely to benefit from sustained demand in some of their overseas markets, reflecting greater market diversification.

Client Follow Up Insights – How services add value

Trade services also stimulate increased business R&D, estimated by a separate academic study to average £65k per UKTI client, due to:

- ***Exposure to new ideas, new customers, new competitors;***
- ***Increased knowledge of competitive environment;***
- ***Increased returns to investment in R&D and New Product Development due to increased export sales;***
- ***Increased revenues – hence increased resources for investment in R&D.***
- ***Innovative and growing clients most likely to increase R&D as a result of trade support.***

Client Follow Up Insights – *Who benefits most?*

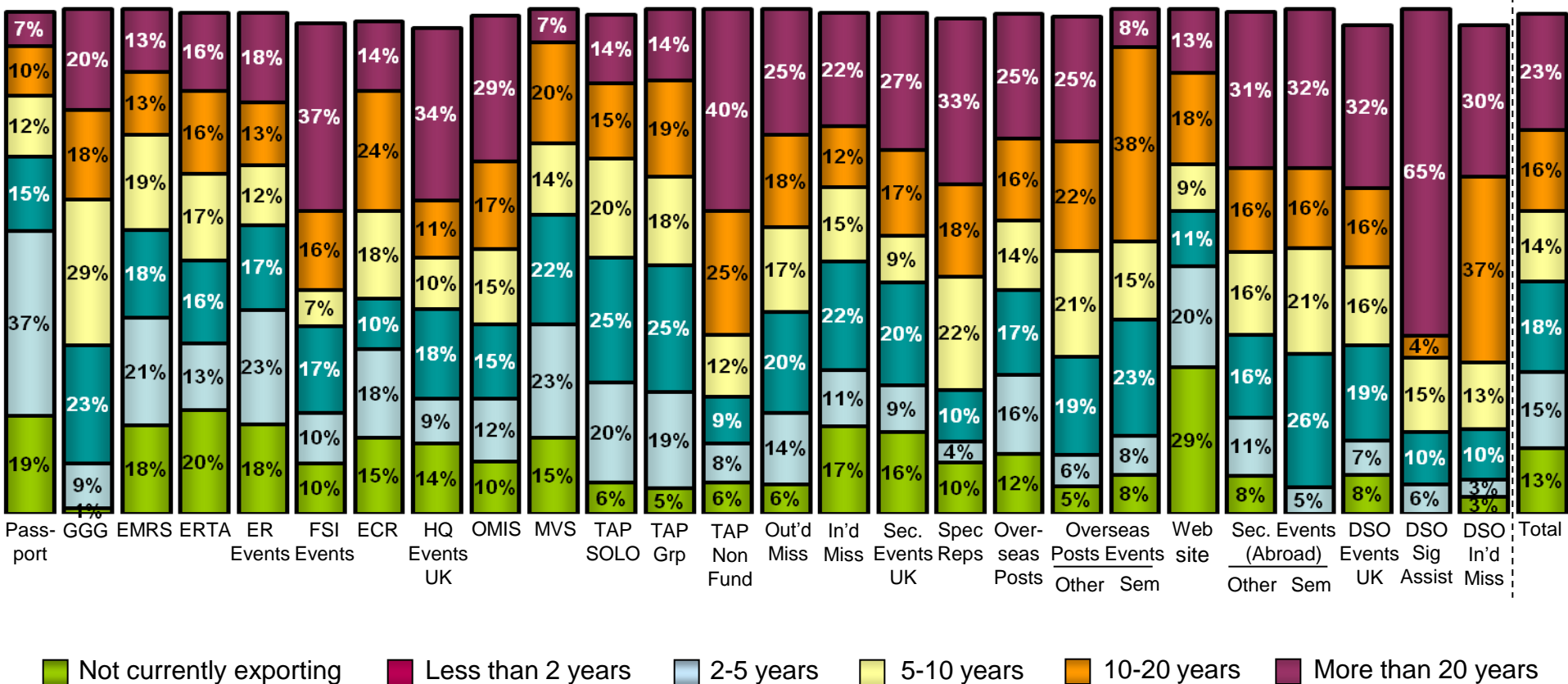
UKTI now has 5 years of PIMS data, allowing robust quantitative analysis of how impact varies by client profile. This shows:

- ***Firms of all sizes benefit from overcoming barriers to new markets***, e.g. gaining access to contacts and networks not otherwise available, raising profile and credibility in a new market, overcoming legal or regulatory issues;
- ***Innovative SMEs most likely to benefit from learning effects***, e.g. improved marketing strategy, improved products, changed behaviour to up-grade approach;
- ***High financial impact is difficult to predict:*** No consistent market or profile characteristic predicts incidence of high benefits. Most are innovative SMEs at a '**tipping point**' on a growth trajectory. But some large clients also report very large additional sales not achievable without UKTI help.

PIMS Client Profile Insights - Length Of Time Clients Have Been Exporting



While Passport to Export focuses on inexperienced exporters, events, missions, and services provided by the overseas network also serve experienced exporters.



Client Follow Up: – *Is the impact realistic?*

How realistic are clients' estimates of financial impact?

Periodic depth evaluations and econometric impact studies provide strong corroborating evidence:

- **Academic studies use econometric techniques to analyse *time series data*** which tracks UKTI trade clients' performance over time against performance of a '**control group**' of non-users with similar profile.
- **Econometric results suggest impact of magnitude similar to PIMS estimates**, e.g. Passport to Export clients' asset growth estimated 26% higher; probability of survival also higher. Estimated average **£65k additional R&D per firm** generated by trade services – including Passport and the Tradeshow Access Programme (average cost of support per client around £10k).

Client Follow Up Insights – *Service Quality*

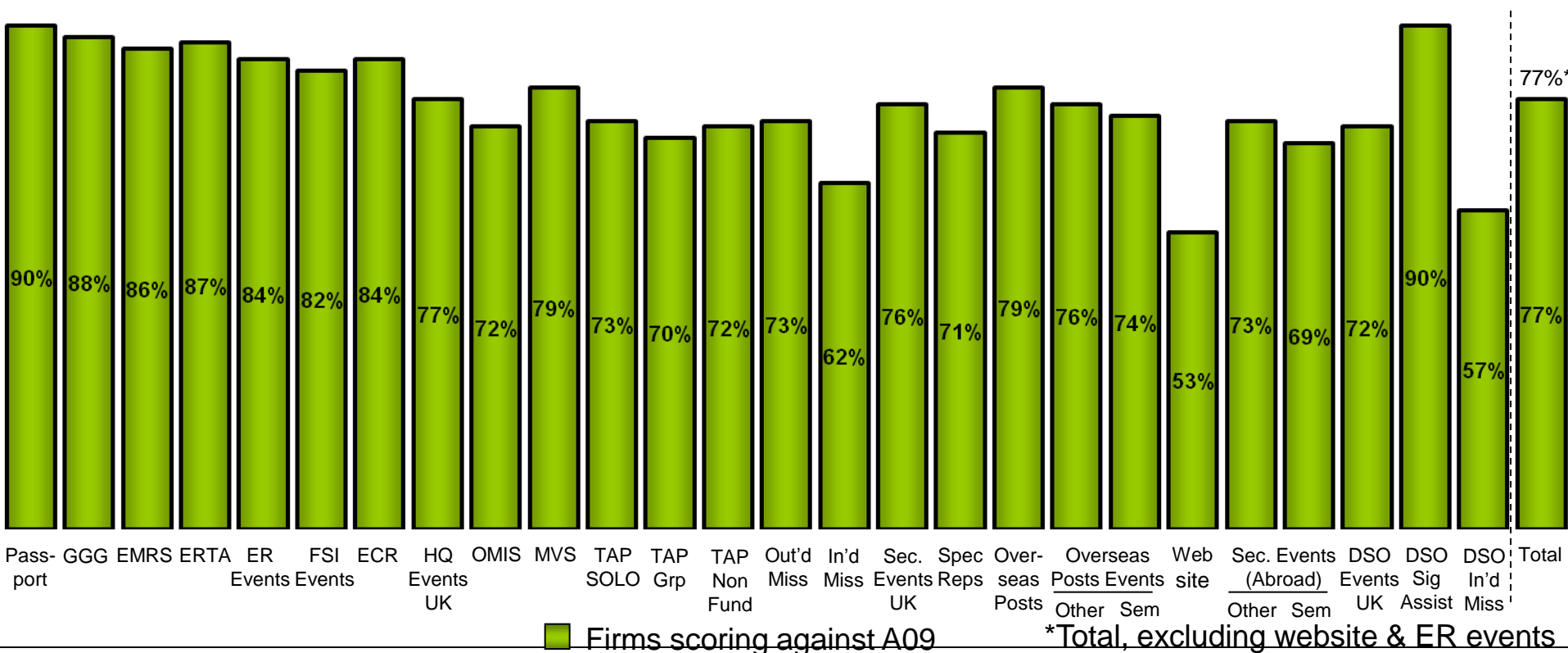
PIMS Quality measures are designed to guide performance management:

Clients are asked to rate 4 -6 different aspects of service quality on 1-5 scale, where 1 = very poor and 5 = very good. Detail varies slightly by service, e.g. for tailored overseas market introduction service (OMIS) provided by UKTI Overseas Network

- The Quality score for each service is the % clients giving average ratings of 4-5. UKTI's target is 80%.

Quality Rating – By Trade Service

The chart shows that the average Quality Rating across UKTI trade services is 77%, varying from a low of 53% for the web site to 90% for Passport to Export and DSO assistance. UKTI has recently up-graded its website to address issues identified by clients.



Detailed Quality Ratings – OMIS

■ 'Super' Green (A09 80%+ and all ratings 80%+)	■ Green (A09 80%+ but at least one score < 80%)	■ Amber Green (A09 75-79%)	■ Amber Red (A09 70-74%)	■ Red (A09 < 70%)
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Pass- port	GGG	EMRS	ERTA	ER Events	FSI Events	ECR	HQ Events UK	OMIS	MVS	TAP SOLO	TAP Grp	TAP Fund	Out'd Miss	In'd Miss	Sec. Events UK	Spec Reps	Over- seas Posts	Overseas Posts Other	Overseas Events Sem	Web site	Sec. Events (Abroad) Other	Events Sem	DSO Events UK	DSO Sig Assist	DSO In'd Miss
90	88	86	87	84	82	84	77	72	79	73	70	72	73	62	76	71	79	76	74	53	73	69	72	90	57

OMIS - Detailed Quality Ratings (% scoring 4 or 5 out of 5)	OMIS
<i>Base</i>	443 (265, 376)
OMIS Quality (% clients giving average scores of 4 or 5 across all questions)	72%
- The quality & relevance of the information & advice	70%
- The clarity & ease of understanding of the information & advice	85%
- The quality & relevance of any contacts provided	63%
- The communications between your business & the main access point	81%
- If contact with embassy but not main access point...the communications between your business & the embassy staff	79%
- If contact with embassy...their objectivity and acting in your best interests	78%
- If contact with embassy...their attitude and professionalism	89%

OMIS Quality Ratings – By Overseas Region

Comparison of results across UKTI teams identifies good practice and stimulates competition for improvement.

Detailed Quality Ratings – OMIS	Overseas Region				
	Europe	North America	Latin America	Asia Pacific	M East & Africa
-Quality & relevance of info & advice	72%	65%	77%	70%	66%
- Clarity & ease of understanding of info & advice	82%	79%	88%	88%	83%
- Quality & relevance of any contacts	66%	54%	75%	60%	66%
- Communications with main access point	75%	81%	92%	80%	81%
- Communications with embassy staff	86%	82%	82%	74%	78%
- <i>If contact with embassy...their objectivity and acting in your best interests</i>	80%	74%	85%	77%	78%
- <i>If contact with embassy...their attitude and professionalism</i>	86%	92%	87%	93%	86%

OMIS - Key Measures – By Contact With The Post

The table highlights the importance of good direct communication with clients when carrying out a Tailored Market Introduction Service (OMIS) commission. Clients give much lower scores for OMIS Quality and Impact if they were not contacted directly by anyone from the Post to give them an up-date on progress of the OMIS.

	OMIS Total (PIMS 15-18)	Did anyone from the post contact you during the OMIS process to give updates on progress?	
		Yes	No
Base	443	334	41
- Improved Business Performance	58%	59%	49%
Quality Rating	71%	76%	51%
- Quality & relevance of info & advice	68%	73%	<u>41%</u>
- If contact with embassy...Objectivity and acting in best interests	78%	81%	<u>49%</u>
- Quality & relevance of any contacts provided	63%	69%	<u>41%</u>

OMIS Impact, Quality & Satisfaction – By Whether Opportunities More Or Less Positive Than Anticipated

Analysis of PIMS data shows importance of managing clients' expectations. Quality and impact scores are much lower when the OMIS report gave a less positive picture of opportunities in the market than the client had expected.	OMIS Total (PIMS 15-18)	OMIS report was...		
		More positive	Less positive	About the same
Improved Business Performance	58%	83%	42%	70%
A09 – Quality Rating	71%	84%	49%	82%
- Quality & relevance of info & advice	68%	83%	47%	78%
- Clarity & ease of understanding of info & advice	84%	91%	74%	91%
- Quality & relevance of any contacts provided	63%	80%	26%	77%
- Communications with main access point	81%	87%	74%	86%
- <i>If contact with embassy but not main access point...Communications with embassy staff</i>	78%	85%	67%	83%
- <i>If contact with embassy...Objectivity and acting in best interests</i>	78%	88%	56%	88%
- If contact with embassy... Attitude & professionalism	90%	98%	81%	94%

Client Follow Up – Conclusions

- UKTI now has 5 years consistent PIMS data, allowing robust comparison of quality and impact across services and over time.
- Measurement informs focus on where UKTI adds most value.
- Transparent measurement has helped drive productivity: Total 15,000 businesses helped and £2.5bn additional profit generated 3 years ago, to 23,600 businesses helped and £5bn additional profit now – over £35bn additional exports.
- A replicable model – transferable to other TPOs.