

EIS – Everywhere International SMEs

Action Plan for Hampshire

Partner organisation	Hampshire County Council & WSX Enterprise Ltd
Other partners / players involved (if relevant)	Identified in Actions 1 & 2 of the Action Plan
Country	UK
NUTS2 region	HAMPSHIRE & THE ISLE OF WIGHT
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1. Policy context

1.1 Aim of the Action Plan

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed:

Priority Axis 1: "SME Competitiveness and internationalisation" (ERDF)

Priority Investment 3.2.: "Development and implementation of new business models for SMEs, especially as regards internationalisation"

Specific Objective 3.2.1. The UK Government has published 2 key policy papers that are specifically relevant to the project -

- The UK's Industrial Strategy: building a Britain fit for the future, November 2017. The strategy sets out the Government's long-term plan to boost the productivity and earning power of people throughout the UK; specifically (and in summary) to improve business support infrastructure and boost global trade.
This will be linked to the sub-regional version of the national Industrial Strategy
<https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>
- In turn, the Local Enterprise Partnerships will each prepare Local Industrial Strategies in 2019. The local industrial strategies will reflect the main themes of the national industrial strategy: developing skills, supporting businesses to start and grow, improving procurement, encouraging trade and inward investment, cultivating world-leading sectors and creating the right local institutions. These pillars from the national strategy will have to find their way into the local strategies.
- Preparing for our Future Trade Policy, October 2017
<https://www.gov.uk/government/publications/preparing-for-our-future-uk-trade-policy/preparing-for-our-future-uk-trade-policy> and the response paper
<https://www.gov.uk/government/publications/trade-white-paper-preparing-for-our-future-uk-trade-policy-government-response/trade-white-paper-preparing-for-our-future-uk-trade-policy-government-response>, January 2018
- Published in August 2018 The Department for International Trade (DIT) has launched a new Export Strategy to support British businesses looking to export to the global market with ambition to strengthen the UK's position as a trading nation.

Building on the Industrial Strategy and the government's trade, foreign policy and development agenda, the strategy sets out how the government will support businesses of all sizes to make the most of export opportunities around the world, supporting its ambition to transform the UK's export performance, raising exports as a proportion of GDP from 30% to 35%

The strategy details how government, in partnership with other providers of export support in the public and private sector, can help businesses overcome the barriers to exporting. It sets out 5 principles, developed through consultation with business, which define how the DIT will engage with exporters and what they can expect of them.

<https://www.gov.uk/government/publications/export-strategy-supporting-and-connecting-businesses-to-grow-on-the-world-stage>

1.2 Peer Review Summary of reviewed measure

Working with EIS Partners and benchmarking Hampshire's support against the context of the Global EIS Tool developed with partners throughout the project, Hampshire presented and gained invaluable feedback on three quite different Good Practices presented at ILW3 in Gdansk, September 2017. The three good practices were:

1. The DIT Trade Advisor at the local level
2. The Southampton SETsquared iCURE programme
3. The Surrey/Hampshire connect service operated by the Surrey Chamber of Commerce (active in north Hampshire)

Further details on each of these practices is included in 1.3

The peer review was undertaken during summer 2017 and involved DIT, SETsquared (University of Southampton), Hampshire Chamber of Commerce and Surrey Chamber of Commerce.

The core service of the three reported on is:

The Department for International Trade activity at a local level

Measure: DIT Trade Advisor

Strategic economic policy, including strategies for trade and inward investment is set by UK Government at the national level.

The Department for International Trade (DIT) delivers internationalisation services and support directly and through contracts with private sector organisations. Performance originally measured by numbers of clients Advisors worked with has recently changed to export value achieved.

Hampshire does not have a separate policy for supporting internationalisation in the county. DIT and contracted organisations deliver their services here. In addition, Hampshire Chamber of Commerce provides complimentary export documentation services.

1.2.1 Regional Context

Hampshire has one of the most successful economies in the UK. With a GVA (Gross Added Value) of around £50bn, it represents the largest sub regional economy in the South East of England.

However, several macro national and international influences mean that we cannot assume that continued success. These external factors include:

- Ever greater globalisation of markets for goods, services, technology and talent;
- The challenges associated with the UK's post-recession productivity 'gap';
- The digital revolution which will continue to impact on all aspects of our lives and our economy; The UK's imminent exit from the EU and its impact on both investor and consumer confidence, and on the UK's relative competitiveness.

Hampshire is ranked as the most export intensive county in the country (37.8% of GVA) and over a fifth of all South East exports come from Hampshire (about 19% of service exports and close to 23% of goods exports).

There are two major port cities - Portsmouth and Southampton. Southampton is the UK's number one vehicle handling port, Europe's leading turnaround cruise port and the UK's most productive container port. Operated by DP World Southampton, the terminal is home to the new 500m deep water quay SCT5, which was purpose-built to handle the largest container ships in the world.

The historical city of Winchester was once the capital of England. Whilst the county is prosperous, there are concentrations of deprivation in Portsmouth and Southampton and instances of deprivation in rural areas. 85% of Hampshire is defined as rural.

Nearly 1.8 million people live in Hampshire. There are around 85,000 businesses of which 99.6% are SMEs. There are approximately 690,000 people in work. Hampshire has a high concentration of overseas companies headquartered in the county, such as IBM, Sony and Fluor.

Governance and Economic Development Structure

National and Local Government and Local Enterprise Partnerships

Central UK Government
1 x County Council
2 x Unitary Authorities (Portsmouth and Southampton)
11 District and Borough Councils
2 x Local Enterprise Partnerships – like small regional development agencies for 'functional' economic areas

Wider Economic Development and Business Support

Department for International Trade
Business Representative and Membership Organisations
Business Support Organisations
Local Authority Economic Development Services
Enterprise Europe Network
Private Sector Services, e.g. Accountants, Bankers, Lawyers
4 x Universities and 1 x Science Park
Individual Independent Consultants, e.g. Trade Agents, Business Advisors

1.2.2 Key Background Statistics

	<u>Hampshire</u>	<u>South East</u>
Active Businesses	85,000	
Growth Rate	19.2% 2009-15 % increase 3% Average annual growth	23.7% 2009-15 % increase 3.6% Average annual growth
Export Share	With figures influenced by the major exit point (i.e. the Port of Southampton) from which goods are shipped overseas irrespective of their County of origin, Hampshire is ranked as the most export intensive county in the country (37.8% of GVA). Over a fifth of all South East exports come from Hampshire (about 19% of service exports and close to 23% of goods exports).	Services: 20.9% of GB (2015) Source: ONS International Trade in Services Goods: 15.4% of GB (2015) Source: HMRC regional trade statistics
Share of regional SMEs exporting (all businesses including SMEs exporting goods, services not included)		17.7% of GB (2015) Source: HMRC regional trade statistics
Total Export amount	Data not calculated at County level	Services: £ 20.949M (2015) Source: ONS International Trade in Services Goods: £ 37.844M (2015) Source: HMRC regional trade statistics

1.3 Current Business Export Practice reported in Hampshire Peer Review

Department for International Trade

At a national level, the Department for International Trade (DIT) supports SMEs' internationalisation activities. The Department has advisors to assist SMEs that want to export, and it has advisors that assist SMEs that want to invest in the UK. In some cases, i.e. where they have established contacts, the advisors, work with public and private sector organisations to coordinate support to SMEs.

DIT also has Partnership Managers, these are individuals whose role is to communicate and coordinate with Local Enterprise Partnerships (LEPs) and local authorities on inward investment activity. There is a shared Customer Relationship Management system to record investment enquiries.

Whilst DIT has a central role in providing support, many SMEs are unaware of the support services available, who provides them, and how to access them. Information on DIT services is available on its websites which businesses can look up themselves. National marketing campaigns do take place but as per government guidelines restricting marketing spend, no local marketing campaign.

The Government's on-line branded campaign and single destination for information on UK trade, investment, tourism and education is www.great.gov.uk. DIT representatives do attend business networking events to promote the department's services. Newable, the organisation contracted to deliver DIT trade services in the South East run a programme of information and engagement events to help inform SMEs of the services available and to identify potential clients who could benefit from the services. Newable also delivers an ERDF funded project to provide intensive support to export-ready SMEs across the South East region.

Hampshire County Council

At a sub-regional level, Hampshire County Council's Economic Development team coordinates support activity for the businesses that either contact us or who we come into contact with through referrals and networking. However, most of our engagement with businesses is to do with businesses that want to set up in Hampshire, relocate in the county or to grow their business. We are not typically approached by businesses looking for support to export.

British Chambers of Commerce

At a national level, the British Chambers of Commerce, the umbrella body for all the Chambers of Commerce, provides services to support SMEs to export. This is mirrored at a local level by Hampshire Chamber of Commerce. The Chamber works closely with the British Chambers of Commerce Global Business Network and DIT, referring businesses to them for export readiness assessment and recommending courses/ workshops to inform and advise businesses about exporting.

Both the Global Business Network and DIT are able to offer bespoke market intelligence, including detailed research on regions within the target

market, specific sectors, competition, market entry strategies and distribution channels. The Chamber of Commerce organises seminars hosted by specialists providing information on the overall market, regions, sectors, distribution channels and opportunities. Hampshire Chamber of Commerce offers a comprehensive series of export/import training workshops.

ICURE

Identifying and Commercialising University Research (ICURE) To improve the commercialisation & global trade opportunities arising from academic research in the Higher Education sector, i.e. to speed up the transition to early stage/global businesses

Surrey/Hampshire Connect – low key initiative aimed at raising awareness, information and interest amongst SMEs interested in finding out more about export

Local Enterprise Partnerships (LEPs)

Enterprise M3 LEP

The Enterprise M3 LEP Internationalisation Task and Finish Group has developed an action plan to be delivered by partners in collaboration with DIT. The plan, which has yet to be fully implemented, and the EIS Hampshire Action Plan complement each other, and phase two of the EIS project presents an ideal opportunity to mutually support delivery of both plans.

Solent LEP

The Solent LEP is developing its business support offer to include activity focused on internationalization. The LEP has ambitions to improve the Solent area's international trade performance, including attracting more inward investment. Businesses that export typically demonstrate stronger employment growth and have higher wages than non-exporters. Diversification across export markets also helps to increase business resilience and enable stronger growth to be achieved during challenging economic conditions.

Working with partners, the LEP approach will be to help businesses better understand and take advantage of the support available to access overseas markets.

The EIS Action Plan supports and links to relevant Solent LEP objectives and activities proposed supported by the LEP.

1.3.1 Swot Summary

The combined results of SWOT analysis made by Hampshire Partners/ Local Stakeholders and the EIS partners are shown below.

<p>STRENGTHS</p> <p>S1 National brand, resources and expertise S2 Proven impact on increase in exports and turnover where SMEs have been assisted S3 DIT national programme which covers all 4 steps of the Global EIS Tool for SMEs they work with S4 Clear government policy and measures</p>	<p>WEAKNESSES</p> <p>W1 Currently no co-ordinated strategy or approach at the local level W2 Fragmented delivery of service W3 No specific County export data or transparency over targets and performance W4 Limited awareness amongst SMEs of DIT and its support offer W5 Confusing business support landscape W6 Limited coordination between business support providers</p>
<p>OPPORTUNITIES</p> <p>O1 Improve communication, co-ordination and collaboration between DIT and local partners to make better use of existing resources O2 Improved marketing and awareness raising of support available O3 Collective targeting and engagement of SMEs with the potential to internationalise O4 Weaker UK currency is leading to a rise in exports O5 BREXIT opportunity to connect & refocus stakeholders O6 LEPs take an impartial lead role to coordinate activity in their areas.</p>	<p>THREATS</p> <p>T1 BREXIT and the uncertainty of the outcome of negotiations for exiting the EU T2 Weakened UK economy T3 USA tax reform and changing trade policies T4 Unstable international situation T5 Increased international security and bureaucracy T6 No clarity on the level of future funding for DIT</p>

1.4 **Summary Update Note**

Additional research, discussion on current/future support in the context of the Global EIS Tool and proposals/activities undertaken since the original Peer Review reported to project partners has included:

Industrial Strategy (2018) –Government white paper, relevant issues and plans reported. Sub planning and influence at regional level.

DIT Export Strategy Consultation (April 2018)

Stakeholder Discussions (Hampshire & Isle of Wight Business Alliance & other key stakeholders) with feedback and Learning Points used to inform Report & draft Action Plan

Report & Outline Suggestions to HIBA Group

- Up to date Strategic Overview
- Communication, coordination, collaboration
- For Stakeholders upskilling, common objectives, information, messages and support across business facing stakeholders and providers
- For businesses: Integrated knowledge & skills. Integrated messages, support and ambitions across all ages/stages of business and business training.
- Targeted Marketing; Work with DIT to target scarce face to face business support resources
- Development of Business Rationale: Influence Local & Regional Policy, Resources & Collaboration to build the case
- **Summary of Main Steps – Work Plan**
 - Request to gather feedback from individual HIBA representatives
 - Action Plan discussion tabled
 - More recently having formulated draft EIS Action Plan and proposals following the EIS Interregional Workshops, Staff Exchange and Peer Review stakeholder meetings in October & November has included further engagement re the EIS Action Plan with:
 - Hampshire Chambers
 - Surrey Chambers
 - Solent LEP – current support/resources and future local Industrial Strategy
 - Enterprise M3 Business Support Forum
 - Report and discussions, feeding in learning and proposals to the EM3 ERDF Internationalisation Bid consortium
 -
 - DIT Sector & Strategy Manager, EM3 Officers leading on Internationalisation and development of future Local Industrial Strategy

Foreign Commonwealth Office Committee investigating infrastructure support for the DIT – Paper on EIS Project & Global EIS Tool submitted on our behalf.

2. Hampshire's Action Plan link with the GlobalEIS Tool

During phase 1 of the project, EIS partners developed a 4-step 'Global EIS Tool' model illustrated on page 16.

The Global EIS Tool has been developed by partners during the first phase of the project. Discussed with stakeholders to illustrate current and future support/resources, the tool illustrates the features of a good internationalisation support infrastructure.

The SME exporting process is at the core of the GlobalEIS Tool (Figure 1). Its purpose is to help SMEs to plan, prepare and deliver export opportunities in a systematic way. It may also be used as a reference document for both public and private Business Support Organisations (BSOs) for mentoring and support.

The application of a standardised SME exporting process will help to ensure that all business support stakeholders have a common understanding of the exporting activities of SMEs and the required preparatory steps to become successful internationally.

The model provides a common framework for all the partners' Action Plans. Essentially, the Global EIS tool will help us i.e. the national delivery agency and Hampshire stakeholders to identify the relevant support services available to SMEs. It can also be used by us to identify the most suitable service providers with complementary competencies and services. This approach will help us make the support system more transparent and can assist in facilitating collaboration among the service providers through a coordinated approach.

Hampshire partners will as part of its activities undertake a first review and continue to follow the integrated and structured approach of the Global EIS Tool as a guideline for ongoing improvement of its regional SME support system.

An initial analysis against the tool has already identified gaps and/or a shortage of resources for some of the steps involved. One of the activities proposed i.e. an updated mapping of public services and services provided by agencies such as the DIT, Local Enterprise Partnership, Chambers and other relevant services provided by intermediaries will increase transparency of the offered services among regional SMEs and among the regional stakeholders themselves.

A second action to encourage agencies to adopt a similar screening of SME internationalisation potential of SMEs', an approach identified at our ILW2 CDR workshop, forms part of the first step; Step 1 – SITUATION, WHY to go international

Good Practice Screening Tool

Our CDR EIS Partners have used a screening tool and methodology to identify the growth potential and willingness of an SME to create new jobs and increase its turnover and exports and so be a right candidate for SME support. This ensures the best match between services offered and the company's potential. Companies are rated A,B or C for their growth potential. The screening criteria are: growth ambition, scalability, organisational capacity, international market potential, funding, use of new technology and market potential. Some aspects of this model, and relevant core questions could be useful aid for Hampshire intermediaries to make a similar assessment and potential referral of new SMEs not yet known by the DIT.

The improved coordination of a regional support system will ensure that the internationalisation support at regional level will follow the 4-step approach and with the other supporting information activities of the GlobalEIS Tool will enable Hampshire agencies to optimise resources and take an informed approach to identify gaps.

Step 1 -THINK - SITUATION, WHY to go international

Step 2 - DECIDE: WHAT, WHERE and HOW to go international

Step 3 - PLAN - WHEN to go international, and

Step 4 - GO - ready to export

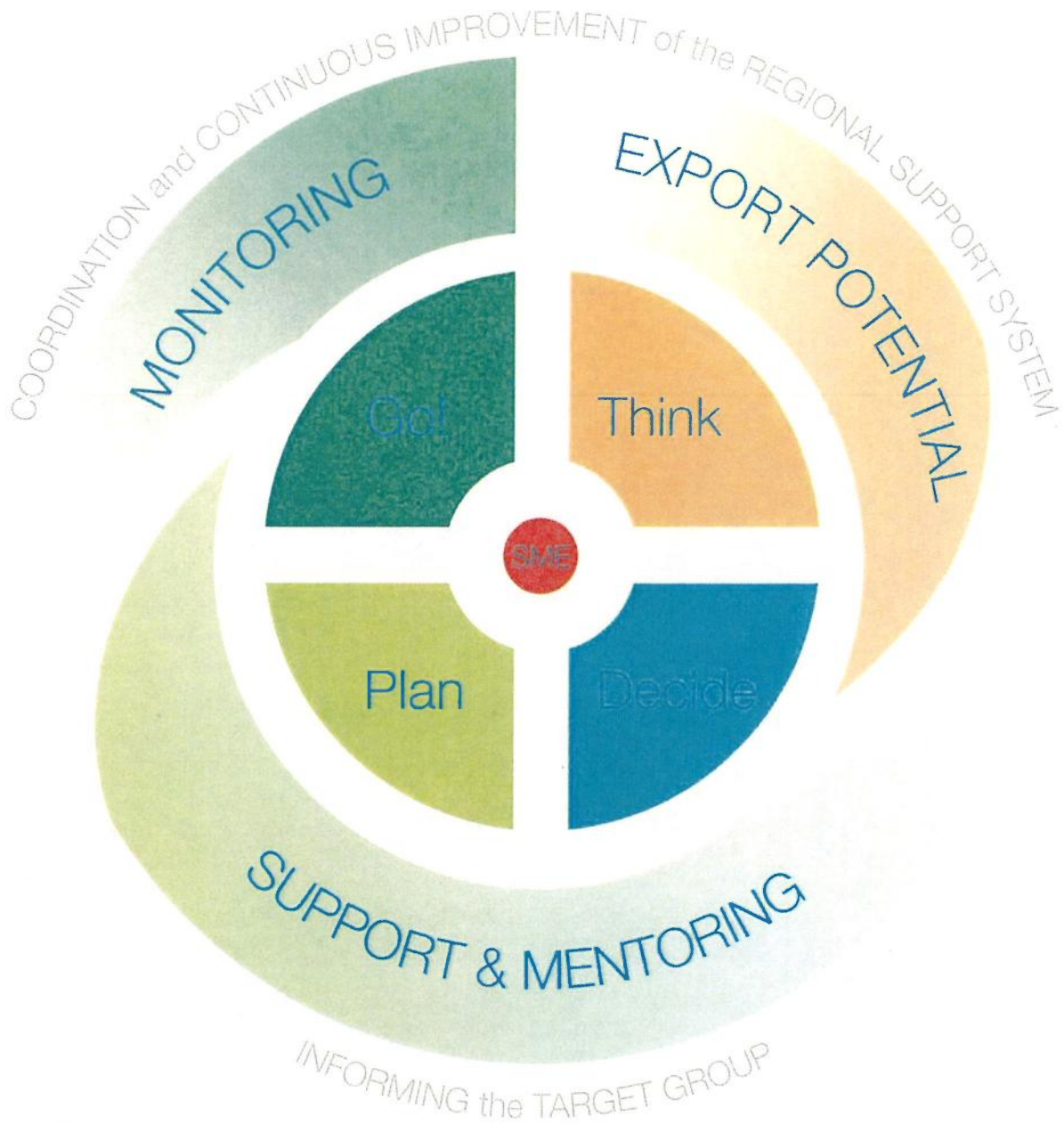


Figure 1 Global EIS internationalisation process for SMEs

3. Action 1: To make better use of local resources we have to develop a more strategic and coordinated approach to provide appropriate support and add value to national DIT services. This action will be led by a local internationalisation working group which will include representatives from DIT. This approach has been endorsed by the Hampshire Business Engagement Forum.

This action will impact the policy instrument by introducing an improved way for all the relevant local business support partners to work directly with the DIT Trade Advisors and each other. The approach will assist DIT in evolving its operational model at a local level. It will also ensure the partners involved are keeping each other informed of their activities to support SMEs to internationalise. In doing so, we will be better able to identify ways in which we can work together to achieve shared objectives and combine resources to reach more SMEs with the potential to internationalise. The action will result in a better service offer to SMEs increasing their awareness and take-up of support available to help them internationalise. The success of this action will contribute to an increase in SMEs choosing to internationalise and will contribute towards the UK Government's target to increase the value of UK overseas trade.

3.1 The Background

(Please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan. Please show links to the overall Peer Review findings and summary under chapter 1.2)

DIT co-ordinates its activity at a national and sub-regional level. There is no formal or structured co-ordination at a county level. There is informal co-ordination between pro-active individuals from different partner organisations operating in the area who engage with each other. The Enterprise M3 LEP has developed a framework with partners to better co-ordinate trade and inward investment activities and intelligence in the Enterprise M3 area.

Information about the national support services is available on-line. Local organisations such as the Hampshire Chamber of Commerce and Federation of Small Businesses promote awareness of services to their members and more widely to SMEs on-line and at events. DIT contributes to and partners with local organisations to promote awareness and deliver events. However, the number of businesses they can reach is limited. SMEs that have found their way to relevant support are more likely to make use of the services again than those who are not aware.

There is a consensus amongst local business support providers that more could be done to improve awareness amongst SMEs of the internationalisation support services available to them and to enable SMEs to access those services.

The primary lessons learnt from the Peer Review process and discussions with stakeholders were:

1. That the national DIT service is a good service but the service could be better promoted to make more SMEs aware of the support available to them.
2. We should make better use of existing local resources to support DIT's activity and raise awareness amongst SMEs of the support available.
3. We should encourage and enable improved communication, collaboration and coordination amongst stakeholders and business support organisations. The aim is to make the business support landscape less confusing for SMEs, more readily accessible and more effective in providing internationalisation support.

Other important lessons learnt from the project include:

- Support appears inconsistent across the 4-step model. There are gaps and/or a shortage of resources for some of the steps.
- Hampshire has multiple governance arrangements and a complex business support landscape which can confuse SMEs in terms of knowing which organisation or organisations can best support them.
- Businesses that have been supported by DIT to internationalise have found the service very helpful, but many businesses are not aware of the services available. A key point raised by our Interreg partners is that the only marketing of services is through the national Export is Great online marketing and information campaign. Therefore, SMEs' awareness of the DIT services is heavily dependent on SMEs finding that online information themselves.
- There is no defined or shared customer referral system. Business support organisations do refer customers to each other on an informal basis, depending on the customer's needs.

The Hampshire Peer Review together with discussions with stakeholders identified a lack of a co-ordinated support services in the first steps of the 4-Step Model.

For example, at the first step, the main source of information and support for SMEs is the information provided by DIT. The information is generic, and the website has online tools for businesses to help themselves. There are 3 case study examples on the website of businesses that have started to export.

There is no coordinated training or upskilling of export services and target SMEs amongst business support intermediaries a critical aspect of support identified by EIS partners in the Global EIS Tool. There is no information on the typical profile, sector, stage of business targeted by the DIT, nor any feedback on the suitability of referrals.

Adopting a screening service, similar to the approach illustrated by CDR partners, for the potential for internationalisation will improve the knowledge and skills needed by intermediaries to be able to support regional DIT trade advisors and so maximise SME potential.

3.2 Proposed Activities

- Establish a working group approach with partners to direct, monitor and review internationalisation activities, and ensure collective resources are coordinated. The working group will include:

Senior representatives from the Local Enterprise Partnerships:

James Ford, Business Engagement & Growth Hub Manager, Solent LEP
Christian Cadwallader, Enterprise M3 LEP
Roya Croudace, Director EM3 Growth Hub

Senior Strategy Lead from the Department for International Trade

Ben Raby, Regional Director, Department for International Trade
Janet Edwards, Sector and Projects Manager Department for International Trade

Senior Technical leads, Chambers of Commerce

Ross McNally, Executive Chairman Hampshire Chamber of Commerce
Gary Hayes, International Trade Manager Surrey Chamber of Commerce
(Surrey Chamber of Commerce's work extends into the north of Hampshire)

Local authority EIS Project leads

Michelle Morley, Business Growth Manager, Hampshire County Council
Andrea McCallum, Manager Enterprise & SME Growth, Hampshire County Council
Julia Pearson, EIS Project Manager WSX Enterprise Ltd

Concrete Measures:

- Hampshire Business Engagement Forum endorse the proposed action plan approach – February 2019 Convene first formal working group meeting – Government Offices, Guildford, 9th May 2019
- The first formal working group meeting will be facilitated by an external facilitator. The outcome should be an agreement between partners on, resources they can commit, priorities, a forward plan of actions for the working group, and a protocol for making SME referrals to DIT and between partners.
- Use the Global EIS Tool to regularly review internationalisation activities in the region. This is on-going mapping.

- Monitor and review progress on actions quarterly and synchronise reporting with the working group and Business Engagement Forum meetings.

Governance

The Hampshire Business Engagement Forum will be the group which we will report progress to and invite observations and recommendations from. The Forum currently meets three or four times a year and is chaired by the Leader of Hampshire County Council, Cllr Roy Perry. The Forum was established so that the Council, the Local Enterprise Partnerships and senior business leaders can engage with each other on economic issues and matters affecting businesses in the region. The working group will update the Forum on progress with its internationalisation activities as and when the Forum meets.

Ensuring implementation of the EIS Action Plan the Task Force will follow fundamental good practice i.e. well-rehearsed basic management principles associated with groups of this nature. These include:

- Appointment of a Chair at the first meeting
Agreement and use of Terms of Reference
Meeting dates agreed and booked in advance.
A venue booked each time.
- Activity to ensure maximum attendance at each meeting
Development of first and subsequent Agenda(s)
Convening the meeting with all relevant papers prepared and distributed in advance
- Updating of the Action Plan, work plan, task list, progress and impact report (using Action Plan and any other additional measures identified by the TF)
- Preparation of minutes. Subsequent preparation of timely report and papers for the Hampshire Business Engagement Forum
- Use of relevant EIS & Interreg Logos on all relevant documents and publications associated with the project

3.2.1 Objective

To engage stakeholders in a collaborative approach to coordinate our activities to:

1. Add value to the existing DIT Trade Advisor service,
2. Support DIT in reaching more SMEs that have the potential to internationalise,
3. Provide consistent information to SMEs regardless of their point of entry into the wider business support environment, and

4. Help DIT raise awareness amongst SMEs locally of the internationalisation services DIT provides to SMEs.

3.2.2 Target group

The Target Group:

- The Department for International Trade
- The Hampshire & Isle of Wight Business Alliance
- The Hampshire Business Engagement Forum
- Local Enterprise Partnerships and Growth Hubs
- University Business Schools
- The local Economic Development Officer network
- Intermediaries

3.3 Content

Stakeholders have agreed that there is both a need and an opportunity to improve our collective collaboration and coordination of support to SMEs. The aim is to develop a more strategic approach, add value, and provide relevant support to the lead national agency DIT, and DIT's local delivery partner Newable.

3.4 Partners/Players involved

The Department for International Trade as the principal stakeholder and delivery organisation for internationalisation services

The Hampshire Business Engagement Forum which includes senior representatives from business membership and support organisations.

The Hampshire and Isle of Wight Business Alliance - a highly active and informed group of support organisations that engages with approximately 25,000 SMEs in the region. Member organisations include:

- British Marine Federation
- Business South
- Enterprise First,
- Engineering Employers Federation (EEF)
- Federation of Small Businesses (FSB)
- Hampshire Chamber of Commerce
- Institute of Chartered Accountants England and Wales (ICAEW),
- Institute of Directors (IOD)
- Isle of Wight Chamber of Commerce
- WSX Enterprise Ltd
- Local Enterprise Growth Hubs

- Higher Education Institutions where they are active with SMEs, for example, through their business schools and research facilities
- Intermediary organisations

3.5 Timeframe

Implementation will begin in January 2019 and there are activities being undertaken during the end of phase 1 to enable that.

Action	Date
Establish the first formal internationalisation working group	May 2019
Key partners agree what resources they can make available to support DIT to engage with target SMEs	May 2019
Establish an implementation plan with clarity of roles and activities	May 2019
Through the working group, assist DIT and its appointed contractor for the South East to identify new target SMEs to strengthen the referral process and build a pipeline of potential clients that could benefit from internationalisation support.	May 2019
Develop and test a coordinated marketing campaign, branded and non-branded workshops to raise awareness of internationalisation and the support available – these would be additional to those planned by DIT's contractor to reach more target SMEs	July 2019 onwards
Monitor and review progress	August 2019 onwards

3.6 Costs

The costs will be:

Working group meetings. Partners will host meetings

SME engagement events. Costs will be met from existing budgets with potential additional contributions from local authority and other partners.

Other costs will be mainly indirect costs, e.g. partner/stakeholder time

Funding sources

Funding will come from local partners' existing operational budgets, for example:

DIT existing core funding

DIT's contractor, Newable's existing funding

Hampshire County Council's existing Economic Development operating costs,

Enterprise M3 and Solent LEP existing operating costs, and potentially Enterprise M3 ERDF internationalisation project

Internationalisation Working Group – from partners' in-kind and day-to-day operating costs

3.7

Impact expected

- Increase the number of SMEs engaging in Internationalisation – target 50
- Increase in the number SMEs re-engaging in Internationalisation – target 25
25 intermediary referrals to the DIT
- Increase in key export statistics and relevant economic indicators i.e. to meet/fit with the governments ambition to increase exports by 5% of GVA within the time frame and further details that are awaited from the Export Strategy document

We anticipate the long-term sustainability of the action will be achieved by embedding internationalisation support, through our communication, coordination and collaboration approach, amongst all relevant stakeholders and partners activities. Next steps

Next Steps	Date
On-going stakeholder engagement and preparations for the formal establishment of the internationalisation working group	March 2019

4. Action 2: Encourage and enable improved communication, collaboration and coordination amongst stakeholders and business support organisations. The aim is to make the business support landscape less confusing for SMEs, more readily accessible and more effective in providing internationalisation support to SMEs.

4.1 The Background

The primary lessons learnt from the Peer Review process and the project were:

- That the national DIT service is a good service but the service could be better promoted to make more SMEs aware of the support available to them.
- We should make better use of existing local resources to support DIT's activity and raise awareness amongst SMEs of the support available.
- We should encourage and enable improved communication, collaboration and coordination amongst stakeholders and business support organisations. The aim is to make the business support landscape less confusing for SMEs, more readily accessible and more effective in providing internationalisation support.
- Our partner regions in the project have regional autonomy to determine SME support activities and allocate suitable budgets. Bologna, for example, has been able to operate a grant programme to provide financial support to SMEs that want to internationalise. By contrast, the services and budget available in the UK are set at the national level. Hampshire, therefore, is seeking to influence the national policy and local model of delivery.

4.2 Actions

<ul style="list-style-type: none"> DIT to offer up to 2 information/training workshops to the project stakeholders in 2019. The aim is that all delivery partners fully understand the DIT offer and can provide consistent information to SMEs and refer them to the most appropriate Trade Advisor and services.
<ul style="list-style-type: none"> The internationalisation working group partners will help DIT to identify target SMEs. For example, Hampshire County Council's Business Growth team engage with many SMEs across different industry sectors. The coordination element of the action will result in an improved referral process and will help build a pipeline of potential clients that could benefit from internationalisation support
<ul style="list-style-type: none"> The EIS project leads will organise with project partners additional trade workshops to those already planned by DIT. These workshops are for SMEs and will raise awareness of the support available to them and will help increase the number of target SMEs that DIT reach
<ul style="list-style-type: none"> Hampshire County Council's Business Growth team will include internationalisation as a route to business growth with the SMEs they engage with and will establish a clear referral process with DIT, so the SMEs get the most relevant direct support from DIT
<ul style="list-style-type: none"> Enterprise M3 Growth Champions to integrate internationalisation as a potential route to business growth with the SMEs Champions engage with
<ul style="list-style-type: none"> Working with industry bodies such as the Engineering Employers Federation, British Marine and Hampshire Fare to promote awareness amongst SME members of the opportunities to internationalise
<ul style="list-style-type: none"> Using the lessons learnt from the Interreg EIS project to inform the current Enterprise M3 ERDF bid on Internationalisation. This would in effect enable Enterprise M3 to incorporate good practices into the proposal from the outset and demonstrate the value the EIS project can add to partners' activities,
<ul style="list-style-type: none"> Stakeholders to be more active in promoting DIT workshops and other events – marketing locally through existing channels, e.g. websites and social media,

- Influencing the emerging Local Industrial Strategies to incorporate clear plans for increasing the number of SMEs supported to internationalise

4.3 Objectives

- to improve the coordination between local and regional business support providers and key stakeholders
- to improve awareness amongst SMEs of the internationalisation support services available to them
- to maximise the available resources to achieve the best outcomes for SMEs in the region.

Target group

- The Department for International Trade
- The Hampshire & Isle of Wight Business Alliance
- The Hampshire Business Engagement Forum
- Local Enterprise Partnerships and Growth Hubs
- University Business Schools
- The local Economic Development Officer network
- Intermediaries, such as accountants, lawyers and finance providers

4.4 Content

Stakeholders have agreed that there is both a need and an opportunity to improve our collective collaboration and coordination of support to SMEs. The aim is to develop a more strategic approach, add value, and provide relevant support to the lead national agency DIT, and DIT's local delivery partner Newable.

4.5 Partners/Players involved

Department for International Trade

DIT has provided information on its trade activity to inform the action plan. DIT deliver the national trade advisory service and is central to our internationalisation working group advising how other partners can support and add value to DIT's activity. DIT's contracted provider for our region is Newable who are also part of the working group. Newable has a programme of SME engagement events across a wider region than just Hampshire. Through the working group, we will establish ways to expand the programme of engagement events in Hampshire to reach more target SMEs. One of our local authority partners, Test Valley has offered a financial contribution to have more SME engagement events in Test Valley.

Other local authorities have expressed a similar interest in doing this which means we can help Newable's Trade Advisors meet more local SMEs.

Enterprise M3 and Solent Local Enterprise Partnerships

The two LEPs have been key stakeholders for the project. Both LEPs have Growth Hubs which provide advice and support to SMEs. The hubs help to identify SMEs with the potential to internationalise and can provide support to SME's already internationalising but who want to increase their overseas trade. Enterprise M3 Growth Hub has a number of Growth Champions, independent business advisors with a wide range of experience and expertise. Internationalisation is a standard element of discussion during their engagement with high growth SMEs.

Hampshire Chamber of Commerce and Surrey Chamber of Commerce

Both Chambers of Commerce have provided insight and advice about the support they provide to SMEs. Both Chambers of Commerce are accredited issuers of trade documents which means they are assisting SMEs all the time with overseas trade matters. Both Chambers of Commerce will be involved in the internationalisation working group and will use their communications to promote trade awareness to their members and SMEs more widely. They will also be involved in the SME engagement events we anticipate delivering.

4.6 Timeframe

Action	Timeframe
<ul style="list-style-type: none"> Collaborate with DIT to offer information/training workshops to stakeholders so we can all provide consistent information to SMEs and refer them to the most appropriate Trade Advisor and services. 	May 2019
<ul style="list-style-type: none"> Working with DIT to identify target SMEs. This would be about strengthening the referral process and building a pipeline of potential clients that could benefit from internationalisation support, 	May - June 2019
<ul style="list-style-type: none"> Additional workshops to those planned by DIT contractor for the South East who deliver services in our region. This would enable greater reach to target SMEs 	June - December 2019

<ul style="list-style-type: none"> Hampshire County Council Business Growth team to discuss internationalisation as a route to business growth with the SMEs the team engage with 	April 2019
<ul style="list-style-type: none"> Enterprise M3 Growth Champions to integrate internationalisation as a potential route to business growth with the SMEs Champions engage with 	April 2019
<ul style="list-style-type: none"> Solent Growth Hub – joint workshops on internationalisation as a route to growing business 	May 2019
<ul style="list-style-type: none"> Working with industry bodies such as the Engineering Employers Federation, British Marine and Hampshire Fare to promote awareness amongst SME members of the opportunities to internationalise 	May – December 2019 January – June 2020
<ul style="list-style-type: none"> Using the lessons learnt from the Interreg EIS project to inform the current Enterprise M3 ERDF bid on Internationalisation. This would in effect enable Enterprise M3 to incorporate good practices into the proposal from the outset and demonstrate the value the EIS project can add to partners' activities 	November 2018
<ul style="list-style-type: none"> Using lessons learnt and proposals to inform strategy and resources discussed via the Foreign & Commonwealth Office Standing Committee investigating Export support 	December 2018
<ul style="list-style-type: none"> Stakeholders to be more active in promoting DIT workshops and other events – marketing locally through existing channels, e.g. websites and social media 	May 2019
<ul style="list-style-type: none"> Influencing the emerging Local 	April - June 2019

Industrial Strategies to incorporate clear plans for increasing the number of SMEs supported to internationalise	
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4.7 Costs

Not known at this stage

4.8 Funding sources

Indirect resources i.e. time

Funding will be sourced from partners existing budgets. Staff time rather than new budgets will form the bulk of resource for delivery. Some local authorities might be able to provide funding to support local events and activities.

4.9 Impact expected

Measurable impacts which will be agreed by the working group will include:

- Partnership agreement on shared methodology and protocols
- Combining resources where appropriate to provide a better co-ordinated support offer
- Increase in the number and quality of referrals to DIT
- Value added service for businesses through more effective and efficient use of resources.
- Increased pipeline of suitable referrals to DIT
- Increased number of SMEs involved in internationalisation
- A higher level of Gross Value Added to the regional and national economy by assisting businesses to increase their turnover through internationalisation activities

Next steps

(See combined Workplan Section 5)

We plan to take an initial 5 SMEs through an internationalisation support process using the Global EIS Tool and working with relevant business support organisations. Once the process is tested and reviewed, we anticipate rolling out a programme that would support more SMEs.

5. ACTION PLAN – CONSIDERATIONS & TIMETABLE

5.1 Considerations The Macro Context

At the time of writing, the UK and EU continue to negotiate on the deal arrangements for the UK to exit the EU.

There remains uncertainty on whether a deal will be agreed within the political timeframe set or whether the UK will exit the EU with no deal in place.

In either, or any other instance, at the national level, future policy on support to SMEs to internationalise could evolve. As such, this action plan might, over time, need to reflect any evolution of policy and the funding which might be allocated to deliver the policy.

Surveys by the leading national business representative organisations suggest that, in general, larger companies have prepared contingency plans in the event of a no deal scenario. This indicates that many SMEs may be quite unprepared for the impacts of a no deal scenario, and this action plan might need to be adapted to reflect additional types of support not currently included in the plan.

Notwithstanding, we have from the time of concluding the Peer Review, identified activities we can deliver at a local level with local stakeholders, which will direct, monitor and review internationalisation activities, ensuring collective resources are coordinated to take a strategic approach, add value and provide support to the work undertaken by the lead national agency, DIT. This approach will contribute to delivering the government's Export Strategy.

Working in a new way at a local level will demonstrate that more impact can be achieved using the same available resources in a smarter way. The anticipated outcome is that by improving DIT's success at a local level through this stronger collaborative approach, central government will recognise that the same model could be adopted across the UK to meet its target of increasing UK total exports as a proportion of GDP to 35%. This approach will enable us to focus on our main consideration, which is implementing good practice support in a way that both benefits more SMEs and impacts on investment for growth and jobs.

Our participation as a group in helping develop the Local Industrial Strategies means that we will be able to shape the priorities in each of those and influence delivery of internationalisation support services in a consistent way across Hampshire.

The two Local Enterprise Partnerships are undertaking consultation exercises on the Local Industrial Strategies from April 2019 and Hampshire

County Council will fully engage in those consultation to ensure that the wider future economic needs of Hampshire are appropriately considered.

Hampshire County Council will seek to develop proposals for collective governance arrangements in relation to the local industrial strategies, and in conjunction with the Solent and enterprise M3 LEPs, in order to enable the required consistency of approach to best serve the needs of the Hampshire economy.

The Local Context

Leadership

Hampshire has multiple governance arrangements and a complex business support landscape which can confuse SMEs in terms of knowing which organisation or organisations can best support them. In that context, the lead role in ensuring the effective future communication, collaboration and coordination that this plan aspires to achieve will be determined by the internationalisation working group.

Priorities

Currently, each of the stakeholder partners have their own set of organisational priorities. One of the considerations in delivering this action plan is the best way in which we can agree and deliver on a shared priority in relation to support for SMEs to internationalise. We will use the Global EIS Tool to guide and inform a way forward.

Resources

Similarly, each of the stakeholder partners has different levels of resources, in some cases, focused very specifically on particular activities. A key consideration, therefore, is how we best make use of our combined resources to achieve the aims of the EIS project.

All of the above considerations will form part of detailed discussions with stakeholders in relation to actions 1 and 2.

5.2 Key Opportunities

- Demonstrating the potential benefits and value of supporting DIT's activities through communication, co-ordination and collaboration at a local level
- To engage with more SMEs that have the potential to internationalise, innovate and grow
- Publication of the Industrial Strategy in December 2017 could present the opportunity to influence strategy and resources when local industrial strategies are being developed by the Enterprise M3 and Solent LEPs.

5.3 Timeframe/Timetable – ACTION PLAN

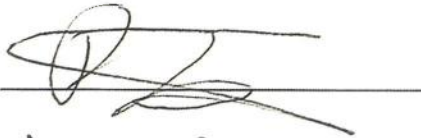
Action 1			
Objectives	Actions	Date	Who
To engage stakeholders in a collaborative approach to coordinate our activities that:	Refresh the mapping exercise of the local SME support ecosystem using the EIS tool.	March 2019	Hampshire County Council and WSX Enterprise in collaboration with all relevant stakeholders
	Establish a joint internationalisation working group with partners that will direct, monitor and review internationalisation activities, ensuring collective resources are coordinated to take a strategic approach, add value and provide support to the work undertaken by the lead national agency, DIT.	May 2019	
Add value to the existing DIT Trade Advisor service	Key partners agree what resources they can make available to support DIT to engage with target SMEs Establish an implementation plan with clarity of roles and activities.	May - July 2019	Working group partners
Support DIT in reaching more SMEs that have the potential to internationalise	Through the working group, assist DIT and its appointed contractor for the South East to identify new target SMEs to strengthen the referral process and build a pipeline of potential clients that could benefit	July 2019	DIT, Hampshire County Council and WSX Enterprise

	from internationalisation support.		
Provide consistent information to SMEs regardless of their point of entry into the wider business support environment	Develop and test a coordinated marketing campaign, branded and non-branded workshops to raise awareness of internationalisation and the support available – these would be additional to those planned by DIT’s contractor to reach more target SMEs.	July 2019 onwards	Working group partners
Help DIT raise awareness amongst SMEs locally of the internationalisation services DIT provides to SMEs	Develop and test a coordinated marketing campaign, branded and non-branded workshops to raise awareness of internationalisation and the support available – these would be additional to those planned by DIT’s contractor to reach more target SMEs.	July 2019 onwards	Working group partners
	Monitor and review progress	August 2019 onwards	Hampshire County Council & WSX Enterprise
Action 2			
Objectives	Actions	Date	Who
Improve the co-ordination between local and regional business support providers and key	DIT to offer up to 2 information/training workshops to the project stakeholders in 2019. This will include the Economic	Dates to be agreed with DIT	Hampshire County Council, WSX Enterprise

stakeholders	Development Officers network. DIT will explain how the Trade Advisor service works and how stakeholders can engage with DIT and how they can help local SMEs engage with the DIT service.		and DIT
Improve awareness amongst SMEs of the internationalisation support services available to them	<p>The working group partners will help DIT identify target SMEs</p> <p>Working group members will ensure that SMEs are sign-posted to the DIT digital platform, made aware of the national offer of export champions, and where possible, referred directly to an appropriate Trade Advisor.</p>	To follow on from the information/training workshops	Working group partners
Maximise the available resources to achieve the best outcomes for SMEs in the region	Input into the development of the Local Industrial Strategies. The two Local Enterprise Partnerships are undertaking consultation exercises on the Local Industrial Strategies from April 2019 and the working group will fully engage in those consultations to ensure that the wider future economic needs of Hampshire are appropriately considered.	April 2019 until the strategies are finalised	Hampshire County Council, WSX Enterprise, Enterprise M3 and Solent LEPS

6 Signature (optional)

Date: 18/06/2019

Signature 1: 

Signature 2: 

Stamp of the organisation (if available):

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