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**"How to Improve Export Promotion towards SMEs,
with focus on Information provision and Network of
main actors."**

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ABSTRACT

The main goals of Export Promotion are to contribute to overall economic improvement of a country, and the subsequent increase for the standard of the living of the population. This can be achieved through the increase of total merchandise sold abroad and the diversification of the structure of goods and services exported, not only in terms of products, but also in terms of economic activities and markets.

Moreover, these general aims are in turn related to the deployment of specific resources, an increase in the overall development level of the country in terms of production techniques and management methods, etc. of the national businesses environment. So, these goals can be achieved, but they are of a rather difficult nature, specifically for Small Medium Size Enterprises (SMEs) as they lack many of the crucial types of resources.

Export Promotion Programs (EPPs) are one way to enable SMEs to reach the mentioned objectives by assisting and supporting them to cope with those restraints. Furthermore, there are two factors crucial for EPPs. The first one Information provision, as a strategic tool, is an export service for coping with special requirements that might arise from the internationalization process. The second one, the Network of main actors is the structural arrangement that brings together all the related agents, which translate and canalize the export services of a country's EPP. Both factors are interdependent and must be optimal as well as efficient in order to have a successful EPP and allow the SMEs to go abroad.

Consequently, this Thesis studies How to Improve Export Promotion towards SMEs in the mentioned matters, by creating a norm from two case studies (The British and Swedish EPPs), applicable to any EPP. Nonetheless, this is also realized with the assistance of three theoretical approaches (Internationalization of SMEs, Information Collection Theory, and Theory for the Export Promotion Network).

Key Words: Export Promotion, SMEs, EPPs, Information provision, Network of main actors, Internationalization of SMEs, Institutional Network Approach and Information Collection Theories, plus Theory for the Export Promotion Network.

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Gothenburg, December 2001

**Nils Galdo Nogales and Jonas Pettersson
(Masters of Science in International Business)**

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**"In the middle of difficulty, lies opportunity."
--Albert Einstein**

FIRST PART OF THE THESIS

The First Part of this thesis constitutes the base of this project covering Chapter 1 – Background & Research Problem, Chapter 2 – Methodology, and Chapter 3 - Theoretical Framework.

The first chapter has the main aim to present the background as well as the research problem of this thesis. The second chapter presents the reader the different methods and processes we have used in this project. Finally, the third chapter aims to create theoretical aspects for a framework that satisfies with this project's objectives.

CHAPTER 1 – BACKGROUND & RESEARCH PROBLEM

This chapter has as its main aim to present to the reader the background as well as the research problem of this thesis. Nevertheless, this chapter presents in more detail the problem analysis and definition, purpose, and delimitations of this project. To finalize this chapter, an elaborated structure for the whole project is offered to the reader as a guide of the extent of this thesis.

1.1. BACKGROUND

It is a fact that the continuous liberalization of markets and their consequent globalization imply that firms from all types, face more and stiffer competition, both at the local and at the international level. Thus, the competitive advantage that any firm might possess becomes smaller and less durable with the passing of time.

As presented throughout the Internationalization Theory for Small Medium Size Enterprises (SMEs), a company in the process of expansion, and willing to maintain its competitive advantage, starts most frequently through the export activity after redirecting its focus from the local level. The export process contains several steps that require different degrees of involvement by parts of the company. For instance, from the gathering of strategic information of potential marketplaces, counterparts, technical issues, etc., up to face choices for the resource allocation to either the domestic or foreign markets.

However, as identified by the business and research media, there are several barriers and difficulties for SMEs in the process of internationalization. These barriers start internally, as there are not enough resources or the capabilities for the internal realization of the new activities. It is also mentioned that SMEs do not have all the capabilities to retain the benefits arising from exporting and the idea of outsourcing is not even an alternative for this businesses. Furthermore, these barriers and difficulties increase as several other requirements arise in the export process. For instance, technical requirements such as customs paperwork, contractual agreements with potential counterparts, etc. will

confront the venturing companies. These and other issues certainly challenge and could restrain SMEs from doing business abroad.

Nevertheless, the options available to this type of enterprise managers are obvious. Either they adjust, meaning to become globally competitive and active in pursuing new commercial opportunities, or conduct business as usual and face the inevitability of diminishing sales and profits.

Various researchers have labeled firms vigorously seeking out new export markets, opportunities, and network relationships as “active,” “aggressive,” “entrepreneurial,” “professional,” and “proactive.” In contrast, firms that do not actively solicit export sales or aggressively and seriously seek out international opportunities have been described as “conservative,” “passive,” “low on entrepreneurial orientation,” or “reactive.” On the other hand, national governments are usually identified as the main providers of different types of support and assistance to SMEs not only for their local but also international development attempts.

Thus, SMEs through their national governments should find an answer for their internationalization attempts. This is done in the form of Export Promotion and Development Programs. It is important to mention that the SMEs situation at the aggregate level determines the socio-economic reality of many countries. Therefore, either their national governments establish and maintain different support schemes for these businesses, or the general and comprehensive situations of their countries could be jeopardized.

In this matter and considering the SMEs constraints, without such governmental support, most of these businesses will not be able to take advantage of emerging international commercial opportunities and their general performance will certainly deteriorate. Hence, it is arguable that there is a need of qualitative services in the provision of business development with special focus on the internationalization of them. It is also worth mentioning that any type of support must always match with the reality and needs of SMEs. Thus, the need of coherent and comprehensive support is required. For that reason, the question of what is the general support for Export Promotion and how to improve arises.

Our interest in this particular topic, Export Promotion, started in different ways. One of us, before starting with this Master Program, worked in an Export Promotion Organization, while the other started to be interested in it, when as part of our Master Program we conducted a study for a famous Swedish MNC in the Czech Republic. There, we both perceived and agreed that the way of providing export assistance was different for different types of companies and with respect to their origin. Hence, we thought it could be interesting to conduct a study that could directly address on the objective of how and what to improve of an Export Promotion Program (EPP). We understood that in order to answer those questions, it would be necessary to study different countries' EPPs with the aim to find best the features that could be applicable, as a norm, for improving any EPP.

Furthermore, we also understood that different institutional arrangements for Export Development are dissimilar, and in some cases, completely unlike, as their structure and activities are directly influenced and shaped by the local country and business size, historical background, and its level of economic and institutional development. In other words, institutional settings for Export Promotion that effectively operate in one country might be completely unsuitable in others. Although, as many of the problems in the Export sector are similar to a large extent, it provides with the possibility to realize a study that could satisfy with the objective of identifying what and how to improve export promotion.

Conclusively, after coming into agreement with our supervisors, and between the two of us, we established that the main and consistent theme of this Master thesis would be to analyze how to improve the Export Promotion towards SMEs.

1.2. RESEARCH PROBLEM

1.2.1. PROBLEM ANALYSIS & DEFINITION

As previously presented, exporting represents a crucial strategic decision for SMEs in order to become globally competitive. There are several steps involved in this activity and SMEs require most of the time several types of assistance as they lack key resources and capabilities. The best supplier of this

assistance is logically their respective national governments as general business development is of high interest for them. Therefore, there is a necessity for a country to possess a qualitative Export Promotion Program.

There are several types of assistance and support services for SMEs in exporting. On the one hand, there is the basic assistance in the form of information and advice for SMEs, better called the Information provision service. This service, as a tool, creates awareness and competitive advantage to the companies on how to do good business abroad as well as to decrease the risk and uncertainty associated with the process¹. For instance, there is information considering the presence of exports settings, opportunities, etc., which will make the export process easier for SMEs.

On the other hand, it is worth highlighting that any type of support and assistance is initiated, processed and provided by an arrangement or network of different export actors, public and private, which must be aligned in the best possible way. Therefore, as important as for SMEs to obtain the best possible information and advice, is the creation and shape of a competitive Network of main actors, which will canalize this and other types of export services.

Some of the most aggressive SMEs in their export approach have searched for detailed information and advice and more systematically took part in trade shows abroad, becoming heavy users of government programs and data banks². Nevertheless, on an average those SMEs either, still do not know where, what and how to obtain access to the governmental assistance, or even in some cases, they have shown a negative qualification towards such assistance.

As presented by two Canadian business administration professors of the Simon Fraser University (SFU), for an SME willing to expand, almost all available export programs are less than satisfactory. These types of business graded on a 9-point scale, having 9 as the best grade, almost all Government Export Assistance programs rated at the mid-point or below³. Considering this, the main problem of this Master Thesis is:

¹ Gankema, Snuif, and Zwart (Oct 2000).

² Ibid.

³ Anonymous (Oct 1999).

MAIN PROBLEM:

How to Improve Export Promotion towards SMEs, with focus on Information provision and Network of main actors.

We believe that by analyzing the available basic service of Information provision, and the arrangement of the Network of main Export actors, we can provide with crucial and beneficial insights as well as advances for any national EPP, so that its respective SMEs will be in a better position to export. Moreover, to accomplish this, the main problem is further segmented in three Research Problems to present more clarity in this subject.

RESEARCH PROBLEM #1:

What is, the SMEs present demand for Information provision through the Network of main actors for exporting?

Research Problem #1 has as its goal to present the rational behind the demand side of Export Promotion. SMEs determine, due to their characteristics, what they should and want to receive for terms of Information provision, and how the Network of main actors has to be arranged to cope with this task.

Following, Research Problems #2 and 3 directly address on the supply side of Export Promotion by identifying what is offered in these specific matters.

RESEARCH PROBLEM #2:

What is offered in terms of Information provision in different Export Promotion Programs?

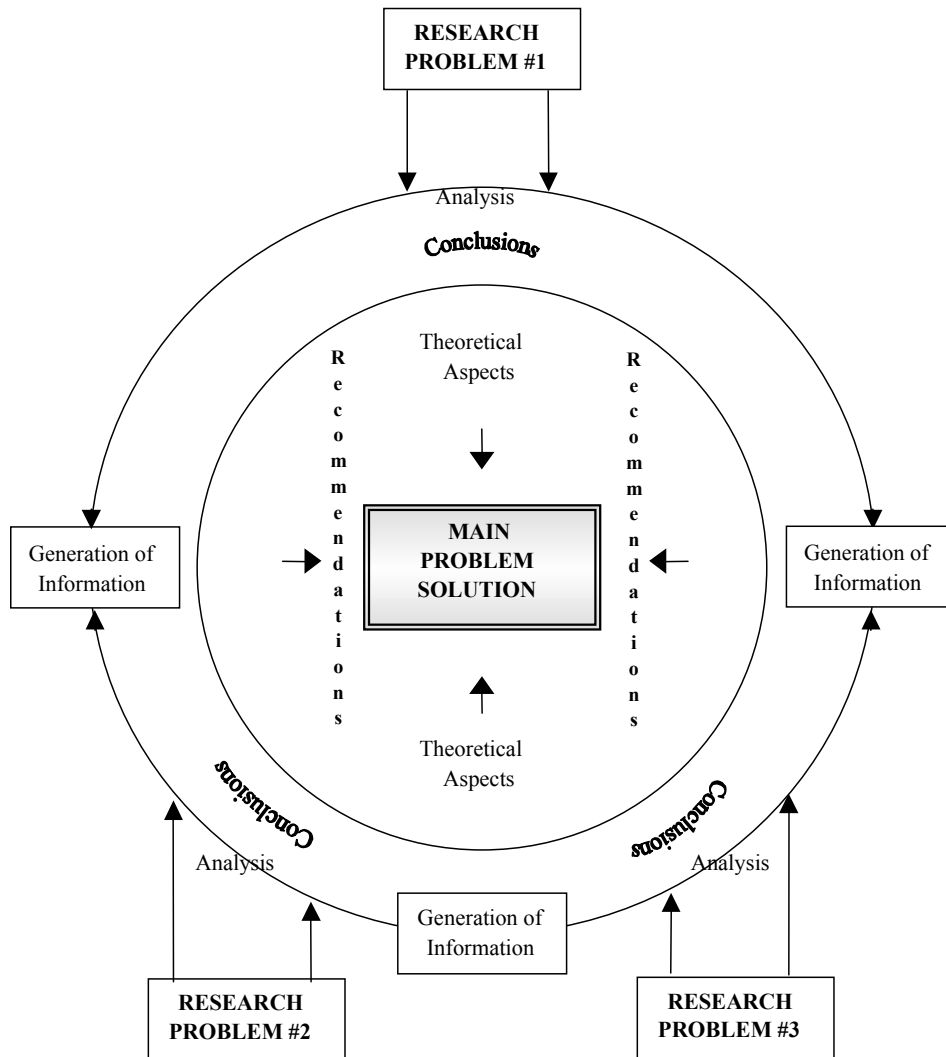
RESEARCH PROBLEM #3:

What are the characteristics of the Network of main actors in different Export Promotion Programs?

The second research problem concentrates on the service Information provision and the third one focuses on how the different actors in Export Promotion are arranged in order to comply with the SMEs needs in terms of Information provision.

Bringing all this together, we believe that by answering these three Research Problems, we will generate and gather different types of information through a detailed analysis, for which we will draw conclusions for different perspectives. Furthermore, together with some theoretical aspects we believe will be able to create recommendations that will solve the Main Problem. All this together constitutes our research model. Next, we present a graphical figure of our research model.

FIGURE 1: RESEARCH MODEL



Source: Own (2001).

1.2.2. PURPOSE

The purpose of this thesis is, as previously mentioned, to recognize whether there are any possibilities, and if so, to recommend how to improve Export Promotion towards any country's SMEs through a norm that takes in consideration empirical and theoretical aspects. Furthermore, this purpose has a specific focus on the EPPs' Information provision service and the arrangement of the Network of main actors.

For this reason, we will add special features to our project in terms of being particularistic, descriptive and heuristic. It will be particularistic, as we will focus on the two EPPs' particular factors, the Information provision service and the Network of main actors, as well as on the needs of the EPPs customers, the SMEs regarding these factors. Furthermore, we will have two case studies, which will reveal particular aspects to our main topic. Hence, the thesis will also be descriptive in terms that the case studies, with the assistance of theoretical aspects will present a rich and complete description of the topic under study. All together these features will bring about the illumination, confirmation and extension of what is currently known about this topic to any reader.

1.2.3. DELIMITATIONS

In order to accomplish our project, we will study the two mentioned specific factors from the demand and supply side regarding Export Promotion, in two specific countries. The reasons why we chosen two countries as our cases are presented in the next chapter under the heading Our Case Studies.

Moreover, we would like to mention that there are several and different services aside from Information provision in both and other EPPs. Export Consultancy, is another type of Export support and assistance service, but of a more complex nature and involvement between the export promotion actors, to fully render export opportunities of the assisted companies (e.g. the creation and realization of a trade mission group to a specialized trade fair abroad). In addition, there is also the Export Development service, which involves deeper level services for the development and reinforcement of specific resource and capabilities of the assisted companies. Hence, both of these other services are

highly chargeable, priced on the effort required to meet the business requirements⁴.

However, we have chosen Information provision, as it is one of the most important services towards SMEs. First of all this service is important, as it is mostly free or low chargeable. Second, it is intended to create the basic interest to internationalize and, third, possibly render the venture abroad in terms of export goods and services or investment possibilities. Again, what most SMEs lack is knowledge, which mainly derives from their limited experience, time or resources. Hence, this service provides the basic information and advice in a very adequate way, specifically to SMEs.

On the other hand, the network of main actors, as the EPPs' structure, has also been chosen, as it is the setting, that enables any country's EPP to gather all the different actors, private and public, and canalize all possible types of support and assistance services in general business and export development. For example, any SME should be able to reach a main export promotion agent from wherever it is located, within its national territory, and through particular channels obtain all available services for export promotion as well as reach all the other related actors. Thus, any country should present an optimal, specific and simple network of the different Export Promotion Organizations (EPOs) in order to maximize any Export services. Certainly, the good arrangement of the Main export related actors would lead to the avoidance, among other things, of any possible overlaps or other network imperfections that could complicate the export support and assistance.

Conclusively, undertaking the delimited cases and focuses we believe that we can offer important and valuable insights for Export Promotion in any country.

1.3. STRUCTURE OF THE THESIS

The departing point of this Master Thesis Project is chapter 1, providing the general Background of the thesis as well as with the Research Problem. The Research Problem addresses more specifically the problematics behind our research by offering an in-depth presentation of the Problem Analysis &

⁴ www.tradepartners.gov.uk

Definition, the Purpose, and Delimitations. Also included in this chapter is the Structure of the thesis.

Chapter 2, Methodology, introduces the reader to the Thesis Research Design with all its subparts; Research Strategy, Our cases, and Research Methodology. Following in this chapter there is a presentation of Data Collection, and Scientific Evaluation.

Chapter 3, Theoretical Framework, presents the different disciplinary orientation bases of the thesis by using and relating various theories, models, etc., that will address the question of the Main Problem. In other words, it presents theoretical aspects, applicable to the mentioned factors of the Export Promotion demand and supply side. With this chapter we finalize with the theoretical level of the thesis, as well as with the first part of this project.

Chapters 4 and 5, on the other hand, constitute the empirical part of this project. For that reason they constitute the second part of this thesis. However, the fourth chapter provides the presentation and analysis of the demand side of Export Promotion, the SMEs. For this, the chapter starts with a presentation and description of SMEs, and second there is a comparative analysis concerning their reality and challenges in order to identify their particular needs regarding the Information provision service through the Network of main actors. Chapter 5, then, presents a description of the chosen Export Promotion Programs, with special focus on Information provision and Network of main actors.

In chapter 6, A Comparative Analysis of the EPPs is conducted in order to identify the best features of them, through an analytical overview of their general key features as well as of the chosen specific features. Nevertheless, this chapter also includes a further comparative analysis of the empirical findings of the EPPs with some theoretical aspects of the Theoretical Framework.

Chapter 7 presents, then, the Conclusions and Recommendations to the reader from all the analytical and theoretical chapters. Thus, this chapter starts by providing crucial conclusions from the identified specific needs as well as best

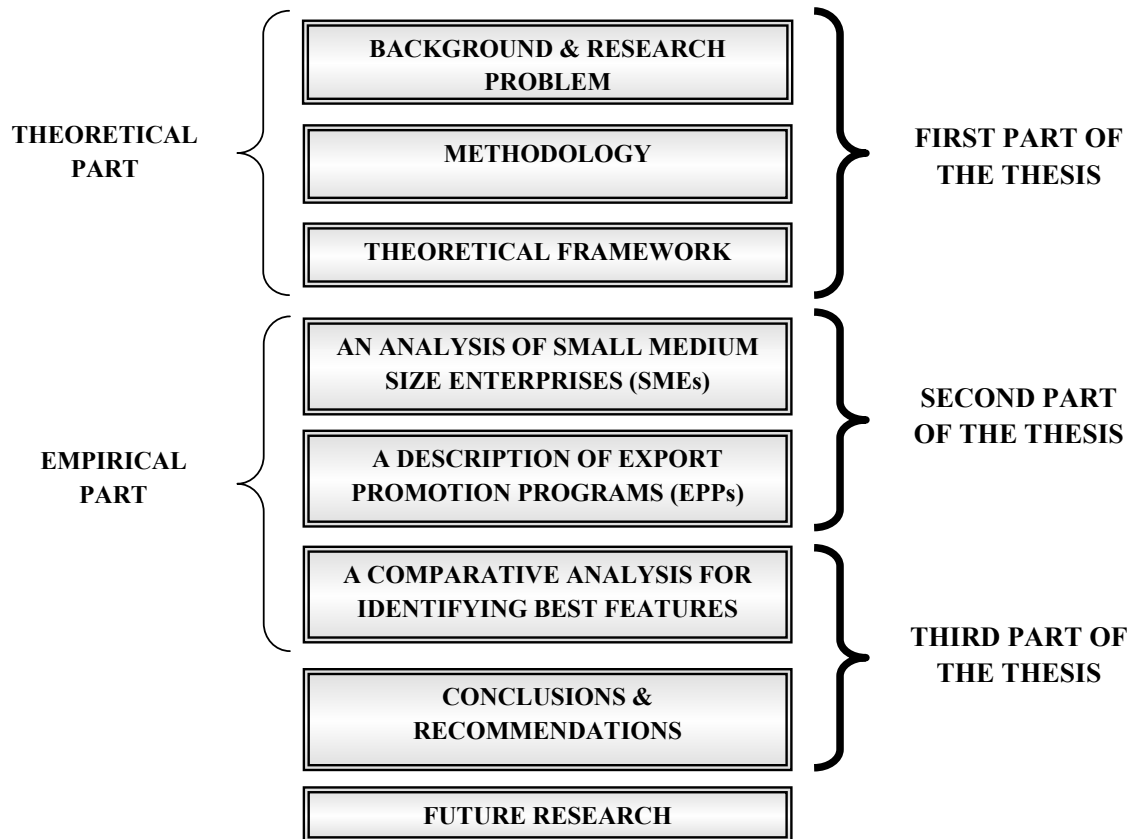
features directly addressed by the analytical parts of the thesis. On the other hand, insights are also offered, as part of the recommendations, in this chapter directly addressing to the thesis' Main Problem. Furthermore, these recommendations take in consideration the empirical as well as theoretical findings. With this chapter, the third part of the project ends.

Finally, chapter 8 is the last chapter of the thesis and presents some aspects, which need further analysis. Due to the fact that this thesis subject is extensive and complex, there are certain interesting aspects not included in this research. Hence, in this chapter we present some of these aspects to the reader in order to possibly lead to further analyses, which would complement our project.

Undertaking the mentioend structure, we have framed the research with the key concepts, models and theories towards Export Promotion in order to obtain a qualitative research study. Please see the next figure. Qualitative research studies are valuable as they are interested in processing, meaning and understanding a phenomenon of interest, so that the final product, an analysis, is richly descriptive, holistic and inductive process including hypothesis generation⁵.

⁵ Merriam (1998).

FIGURE 2: STRUCTURE OF THE THESIS



Source: Own (2001).

CHAPTER 2 - METHODOLOGY

This chapter presents the different methods and processes we have used in this project. In other words, this chapter provides the guidelines for understanding the approaches used to conduct the research. For that reason, the section is divided in three major parts, the research design, the data collection, and finally the scientific evaluation of the whole project.

2.1. RESEARCH DESIGN

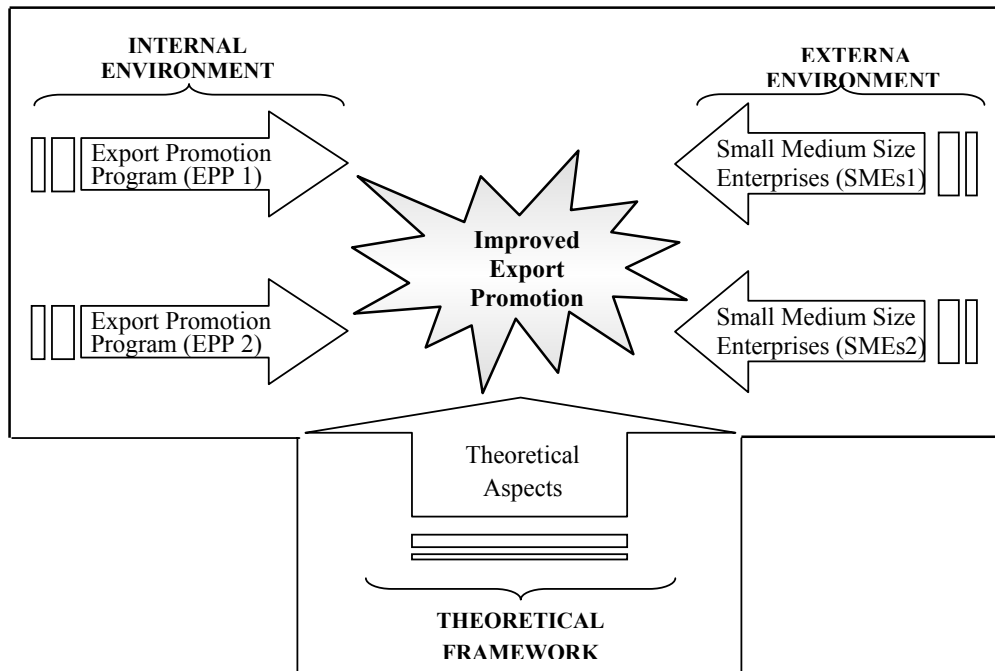
According to Yin, “A research design is the logic that links the data to be collected (and the conclusions to be drawn) to the initial question of a study”⁶. Thus, in order to provide a scheme to solve our Main Problem, we used two approaches.

The first one, our “T” model focuses on generating the strategy to create and improve an Export Promotion. The second approach, in contrast to the previous one, focuses on the methodological way on how to solve the presented task. Furthermore, in-between both approaches, we present our study cases, including the reasons why we have chosen them.

2.1.1. RESEARCH STRATEGY

The research strategy of this thesis modifies Grant’s theoretical model of strategy formation, as it is a holistic approach towards new strategy formation. In this way, it considers most aspects of the market environment of Export Promotion. Nevertheless, the advance from this strategy is that it not only bridges with the market environment factors, but also with various types of theory or theoretical aspects that are comprised in our Theoretical Framework. Bringing all these aspects together they constitute what we call our “T” model. This model provides with the general strategy to How to Improve Export Promotion towards SMEs, but in the particular focuses. Please see the following figure.

⁶ Yin (1994) p. 18.

FIGURE 3: "T" MODEL

Source: Own (2001).

The reason for directing the project in this manner is that in order to create any improved strategy for our study, an objective appraisal of the Export Promotion's internal and external environments must be made⁷. In our particular case, the internal environment has been modified and includes two EPPs, with their resources and capabilities, structure and systems. The main reason for having two EPPs is to obtain different points of view in general and the chosen matters (Information provision and Network of main actors). On the other hand, the respective EPPs' customers, the SMEs, compose the external environment with a focus on their general characteristics and particular needs with regard also to the chosen matters.

This is a consistent and comprehensive research strategy. Furthermore, according to Yin, this is a multi case research strategy⁸. The advantages of using multiple case studies is that their design is employed to gain a more in-depth understanding of the situation and meaning of the Main Problem by intensive descriptions and analyses⁹. Hence, multiple case studies offer the

⁷ Grant (1998).

⁸ Yin (1994).

⁹ Merriam (1998).

possibility to understand a single case problem by studying a range of similar and contrasting cases or subunits. And by conducting a cross case analysis of the subunits, suggestions and generalizations about the main problem can be created. So, any insights obtained from this multiple case study can directly influence policy, practice and further research of this particular topic¹⁰.

Furthermore, we have also used Yin's five important components for a case study research design. We have a study question (presented in our problem statement), a proposition (presented in our purpose), units of analysis (next presented), a logic linking the data to the proposition, and the criteria for interpreting the findings (presented throughout this chapter)¹¹.

2.1.2. OUR STUDY CASES

2.1.2.1. Case Motivation

To examine whether there is any possibility to improve Export Promotion towards SMEs in the subjects of Information provision and Network of main actors, we have selected two particular countries as our case studies. In these countries, we conducted an investigation of their respective SMEs and EPPs, with special emphasis on the mentioned problem's focuses. We understand that for solving such complicated topic, we must learn from the empirical world and investigate contemporary phenomena within a real-life context.

The reason for selecting only two and not several more countries is due to the limitation of time and resources that this thesis offers. We understand that there would be a larger qualitative outcome if more countries were taken in the project. Nevertheless, we strongly believe that in the selection of our specific cases and by the research realized, we have been able to obtain concrete and decisive qualitative results.

The chosen countries were Great Britain and Sweden. We selected these countries according to our preconceived idea that first, both present a long and successful historical background in industry and trade development. In specific, due of their geographical position and decreasing and limited natural endowments, both countries are highly dependent on trade of products and

¹⁰ Merriam (1998).

¹¹ Yin (1994).

services. Moreover, as presented by previous research studies, it is suggested that Great Britain is among the top three countries with the highest share of direct subsidy programs for SMEs¹². Finally, and to complement the previous statement, the same research presents that when it comes to export assistance services available, Great Britain is considered to be among the best in the world¹³.

On the other hand, both countries possess, relatively, a small domestic market with a marked industrial background (e.g. the automotive, and precision engineering, among other sectors). This can be a major disadvantage, compared to other countries by restraining their fast development of scale economies. Nonetheless, Sweden and Great Britain have been able to cope with the pressure from the advances in developing and non-traditional economic sectors, so that both have successfully created and exploited the old and new industrial niches. Thus, there is a strong entrepreneur spirit followed by business assistance towards its development.

In other words, we strongly believe that the cases of Sweden and Great Britain, with their respective EPPs and SMEs, constitute strong cases studies for our research as they present success in trade and industrial activities for keeping their economies on a global and competitive status.

2.1.3. RESEARCH METHOD

Previously to our study cases, the general strategy for this research was presented. Now we hand the reader our research method, which denotes the procedure to solve our Research Strategy.

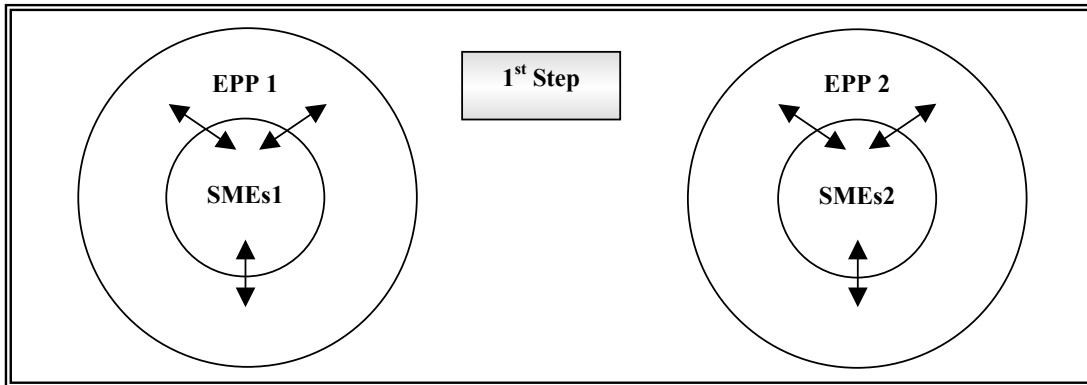
This methodology is directly applied to our case studies with their respective focuses, and it presents three main steps. Moreover, each step is composed by the same milieus, the Swedish Export Promotion Program (EPP1) and the British one (EPP2). In addition, each milieu includes its own set of SMEs. Each EPP is determined by its SMEs, in the way that due to their characteristics they shape the types of support and assistance EPPs will have offer. On the other

¹² Nothdurft (1992).

¹³ Nothdurft (1992).

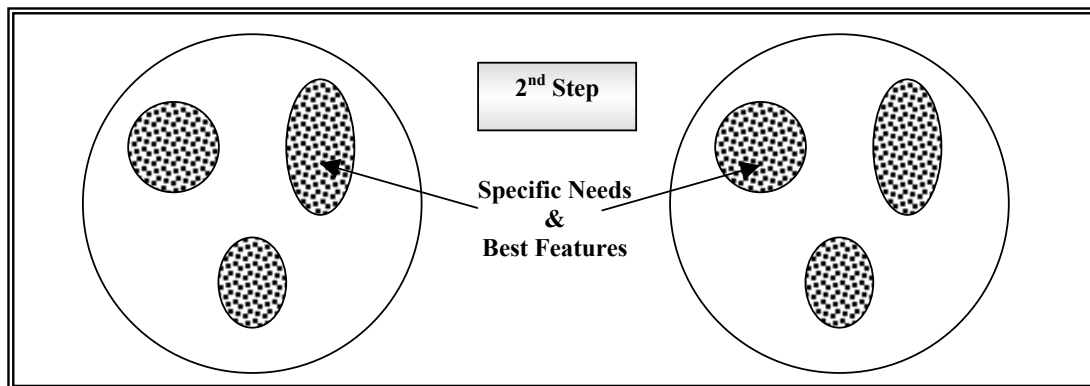
hand, EPPs determine in some degree the way their SMEs might export based on their offerings. Hence, there is a mutual dependency between both elements.

Moreover, the 1st Step of this methodology is composed of a detailed description providing understanding of each environment with focus on the needs and offerings in terms of Information provision and the arrangement of the Network of main actors.



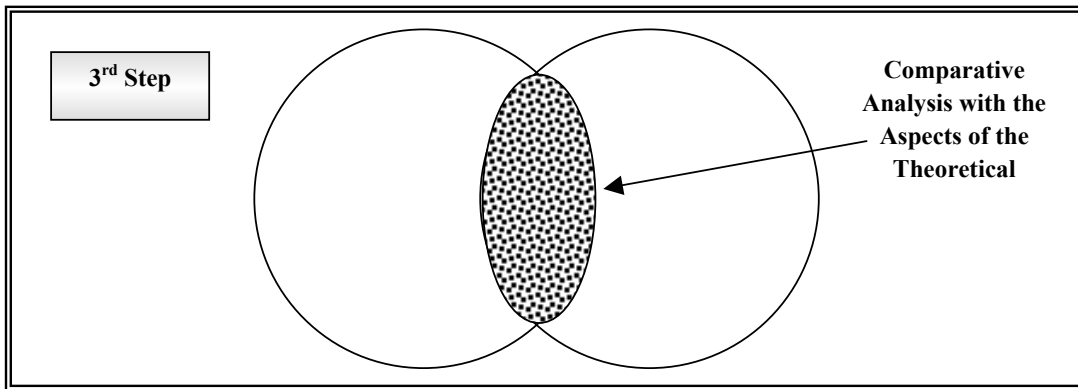
Source: Own (2001).

On the other hand, the 2nd Step is composed of the clear identification, within each milieu, of the needs and best features in the mentioned areas. Thus, this identification is realized by a comparative analysis of the chosen SMEs and EPPs with a focus on Information provision and Network of main actors. Moreover, a further analysis is realized by comparing the empirical findings of the EPPs with aspects of the theoretical framework. For that reason, this step will be interpretive and analytical, theorizing about what the norm is in this these particular subjects.



Source: Own (2001).

The 3rd Step aims to gather and bridge all the specific needs as well as the best features from both milieus and in this way create a set of general recommendations and suggestions for Export Promotion in the mentioned areas. Therefore, this step will be evaluative since it will involve explanations and judgments of the identified factors. Moreover, a further analysis is realized by comparing the empirical findings of the EPPs with aspects of the theoretical framework. For that reason, this step will be interpretive and analytical, theorizing about what the norm is in these particular subjects.



Source: Own (2001).

Conclusively, by executing this methodology we are sure that we can solve the Main Problem of this project.

2.2. DATA COLLECTION

As for the beginning of this and other projects, we started with the crucial stage of qualitative data, information and knowledge selection as well as collection. This stage involved the use of many strategies for the collection of material from a variety of sources. For instance, searched and gathered multiple books, articles, journals, Internet web pages, all allocated within our web page www.galdopettersson.homestead.com. In addition, we conducted critical meetings and interviews.

Moreover, from all the collected data, we have to make a clear distinction between what Primary and Secondary Data is. Primary data constitutes the most common form of data collection in qualitative studies¹⁴. For this project

¹⁴ Merriam (1998).

this type of information is the most crucial set of information, as it specifically addresses specific issues from the project. This type of information, which cannot be easily accessible, has been obtained through different personal, e-mail and telephone interviews with people in the key Export Promotion institutions in the chosen countries dealing mostly if not exclusively with the focuses of our project.

For this matter, we used two types of interviews, unstructured and semi-structured. We choose to take notes from all the personal and telephone interviews and only taped some of the most crucial ones. In all cases, we created sets of particular questionnaires. We structured the questionnaires according to, first, a set of broad questions applicable to all institutions, and second another set of questions that directly addressed specific aspects of the interviewee. So, the broad questionnaires were sent to the interviewees prior to the meetings. The more specific questions were only used during the interviews and with the purpose to address some personal questions. Additionally, we estimated that by sending only the broad questions, the institutions were able to offer some other information we did not consider and could have missed at all.

Moreover, a key feature of the data and information gathered is that we investigated it with the some of the interviewed parts as to achieve authenticity, accuracy and validity of some of the gathered Primary and Secondary data, as part of a follow up process.

In spite of this, before we started to arrange interviews with the different and most crucial institutions, we collected information about a large range of institutions, in order to identify only the most crucial ones and that were of interest for our project. So, the first interviews were set up in July with some Swedish Export Promotion agents, Invest in Sweden Agency (ISA) and the Ministry for Foreign Affairs (UD).

Following, in mid September we conducted a field trip to the UK were we meet key institutions such as the Confederation of British Industry, the Department of Trade and Industry, the British Exporters Association, the British Council, Small Business Service, the Swedish Embassy, British Chambers of Commerce and, of course, Trade Partners UK. Finally, we conducted a last field trip, again

in Sweden early October with the Swedish Trade Council (Exportrådet), ALMI Företagspartner AB (ALMI), the Swedish Business Development Agency (Verket för Näringslivsutveckling, NUTEK), the Federation of Private Enterprises (Företagarnas Riksförbund), The General Export Association of Sweden (Sveriges Allmänna Exportförening), the Swedish Chamber of Commerce (Svenska Handelskammaren), the Swedish Institute (Svenska Institutet), Confederation of Swedish Enterprise (Svenskt Näringsliv), and National Board of Trade (Kommerskollegium).

Furthermore, we realized that we had to carefully scrutinize the information we obtained from the different institutions, because even if they did not have the intention to lie or not disclose all the information, they could have been biased, due to the fact that it was their own institution they talked about. However, we seriously believe that we have been able to avoid this since we interviewed many different institutions, and we asked certain questions to them about interviewed ones in order to collect a wider view and test the authenticity. This issue is further elaborated in the section, Scientific Evaluation.

Secondary data, on the other hand, is classified as data or information with no particular connection to our case and like any other sources of data it presents limitations and advantages as well. The collected multiple books, articles, journals, Internet web pages, public records, annual reports, and special documents fit into this description.

Because it is produced for reasons other than this research, Secondary data might be fragmentary, unfit with our conceptual framework, or its authenticity is difficult to determine. Further constraints might also arise in the forms that our preferences may reflect a researcher's uncertainty about the potential of certain documents for yielding knowledge and insight¹⁵. However, a proper selection process of Secondary data, has allowed us to extract the most relevant and useful parts. Furthermore, we will like to underline that we have included in our study research generated documents, which will better address and solve certain parts of the main problem.

¹⁵ Merriam (1998).

Therefore, the information selected and gathered for the study gains of objectivity and grounds the investigation in the context of the problem as it furnishes descriptive information, verifies hypothesis, and makes advances in new categories. In this way, we estimate to have obtained several qualitative perspectives towards our main problem solution.

2.3. SCIENTIFIC EVALUATION

We understand that in order to provide a qualitative research, we must provide an analysis of highest possible quality. To measure this quality, we next examine the scientific evaluation of the whole project by analyzing validity and reliability of it. Validity and reliability will show our ability to plan and conduct the study, use analytical skills and draw conclusions and recommendations. A qualitative research should provide the reader with a detailed description and allow the reader to decide whether the conclusions drawn are logical or illogical¹⁶.

2.3.1. VALIDITY

2.3.1.1. Internal Validity

Internal validity deals with how the theoretical findings are congruent with the reality. In this thesis we used different ways for ensuring the validity of the research findings¹⁷. First, we used the triangulation method. This means that when conducting the research, we used multiple sources. As earlier mentioned these sources used here are both of primary and secondary nature. Although, we complemented as well as scrutinized the sources by sharing and discussing the information retrieved with our tutors, some of the interviewed institutions, and us.

Moreover, to further enhance the validity, we have sent a copy of some of our empirical findings to some of our the primary sources, in order for them to identify if our findings were plausible and of the highest quality. This is called the member check method. In this way we have minimized the risk of biased or incorrect information towards our findings. This has been done in order to bridge the validity with the reliability, because, a high validity is dependent on a high reliability.

¹⁶ Merriam (1998).

¹⁷ Merriam (1998).

2.3.1.2. External Validity

External validity deals with the issue of whether the level of generalization of the findings allows its application to other situations or cases beyond the immediate case study¹⁸.

Since our main problem is to find a way, How to Improve Export Promotion towards SMEs, we believe that through our research-findings we will be able to draw upon conclusions and recommendations that would be applicable to certain countries EPPs in the same focused areas. Although, these certain countries' EPPs will certainly will have to present similar structures in the form of the SMEs' needs and EPPs characteristics.

2.3.2. RELIABILITY

Reliability is about to what extent the findings presented in this research might be replicable if other researchers conduct the study again. Although, in order to determine this, we have to divide the reliability in what is the short or long-term perspective.

First, in the short-term perspective this research is highly reliable, as both the demand and supply of Export Promotion characteristics will look more or less the same in the near future. Hence, we strongly believe our findings would be replicable. However, this study's reliability becomes somewhat smaller if the same research is replicated in the long-term term. For example, the demand side characteristics, SMEs' needs, are in a continuous state of change (e.g. trade barriers, regulations, and the world economy, among other things are changing). So, what is applicable to satisfy with SMEs' needs in Information provision and Network of actors by Export Promotion will not be same in the long terms as their nature is not static. Therefore, a repeated study, in a more distant future, may not necessary come up with the same findings presented in this thesis.

Furthermore, as previously mentioned, we checked some of the information obtained, in order to identify its reliability. By doing this, we were able to avoid or minimize biased information. Therefore, a repeated study executed by another researcher in the short run will come up with similar findings and

possibly the same ones in the long run. This increases the reliability of the thesis.

¹⁸ Yin (1994).

CHAPTER 3 - THEORETICAL FRAMEWORK

*F*or the realization of this thesis, various types of theory and literature base are gathered and presented in this chapter. All of them have the aim to create theoretical aspects for a framework that satisfies with this project's objectives.

Thus, the relevant fields of theory for this research hereby used are; first the Internationalization Theory for SMEs, which provides the characteristics and needs from the demand side regarding the internationalization process. Secondly, the Information Collection Theory provides with the Strategic Information Collection Framework, for coping with the provision of information and advice to the SMEs in their internationalization process. Thirdly, the Theory for the Export Promotion Network, which focuses mainly on the theory about how to arrange The Structure of the Export Promotion Network as the provider of the information and advice. For that reason the last two fields of theory are focused on the supply side. Nevertheless, at the end of the chapter there is also a conclusion and summary which briefly gathers all the aspects from the covered theories.

3.1. INTERNATIONALIZATION THEORY FOR SMEs

The section starts by making the reader acquainted with some General Drivers and Trends for Internationalization. Following two theoretical approaches, provide with the background to why and how firms such as SMEs internationalize. Finally, a fourth theory explains the implications of the internationalization process but in specific for SMEs. All these theories provide the reader with an integrative framework, which explores and explains the implications of what internationalization involves and what it represents for SMEs.

3.1.1. DRIVERS & TRENDS FOR INTERNATIONALIZATION

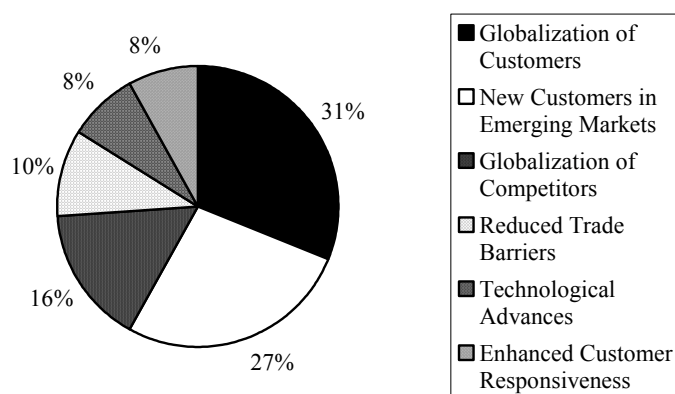
Most enterprises independently of their origin or area of activity are mostly profit seekers. Of course, all businesses may well have a variety of motives, such as increasing market share, become industry or segment leader etc. Nevertheless, in the long run none of these are as important as the pursuit of profit itself, since a firm's profitability is the barometer of its business health.

Failing to make profits at all, over a long period, the firm will most likely go out of business¹⁹. Hence, this has led to the pursuit for global profits, which increase as the companies' revenues exceed costs or as costs decrease enough, due to particular reasons.

The internationalization of a firm's operations may be motivated by any of these factors and it is a logical extension or stepwise process of a business expansion. Certainly this does not mean that all companies must go abroad. Some will be unable to do so due to internal and external constraints, others may simply choose not to go abroad²⁰.

Nevertheless, there are other major drivers for internationalization of companies of all sizes, mainly dependent on demand side forces. See the figure below for examples of these drivers²¹.

FIGURE 4: DRIVERS OF INTERNATIONALIZATION



Source: Claes Alvstam, Class Lecture, September 2000.

Nevertheless, other major trends, from the supply side, for the internationalization process are based on the issues such as securing raw material supplies, technology access as well as venture capital access, among others²². But, they are neither excluding nor independent from each other.

¹⁹ Dicken (1999).

²⁰ Dicken (1999).

²¹ Claes Alvstam, Class Lecture, September 2000.

²² Claes Alvstam, Class Lecture, September 2000.

Hence, some businesses have mentioned that they have had a mixture of the major trends for internationalization²³.

However, it is important to mention that nowadays there has been a shift in the supply side for the internationalization trend, as the reasons for securing raw material supplies have moved towards the market access. This occurs as the amounts of companies undertaking the first reasons have decreased significantly (only Oil exploiting companies still fit this description). There has been even a change from traditional manufacturing sectors to high technological activities. This has led the service sector to grow exceptionally in areas such as the banking, finance, and research and development, which are the major seekers for new marketplaces²⁴.

3.1.2. WHY FIRMS INTERNATIONALIZE

Before 1960, there were no genuine and specific theories of why firms, especially MNCs, engaged in main international activities. Stephen Hymer from industrial organization theory began with the assumption that in serving a particular market, any domestic firm will have an intrinsic advantage over all foreign firms, as they possess a better understanding of the local business environment²⁵.

Hence, if any foreign firm wants to produce or realize a main activity in a foreign market, it would have to possess some kind of specific advantage, which would offset the advantage held by indigenous firms. Such advantages could be essentially, in terms of firm's size, and economies of scale, market power and marketing skills, technological expertise, or access to cheaper sources such as finance. Therefore, by only possessing any on these factors, a firm, then would be able to out compete domestic firms.

Furthermore, Dunning continued the work started by Hymer. He proposed three general and inter-related conditions, which are fundamental among other international activities, for how to internationalize production²⁶.

²³ Ingemar, Victor, Class Lecture, October 2000.

²⁴ Claes Alvstam, Class Lecture, September 2000.

²⁵ Dicken (1999).

- Possesses certain ownership-specific advantages not presented by any competitors,
- Such advantages are most suitably exploited by the firm itself rather than by selling or leasing them to other firms. Thus, the firm will internalize such ownership-specific advantages, and
- There must be location-specific factors that makes it more beneficial for the firm to exploit its assets overseas.

Conclusively, undertaking Dunning's pragmatic framework, the propensity for a firm to realize activities abroad is directly determined by the three mentioned conditions. Whether all conditions are met and satisfied, they can lead any firm to the international production of the company's product. If not, they will determine in which way the firm will internationalize (e.g. through Trading House, Local Agent, Joint Sales Venture, etc.). Nevertheless, it is important to mention that ownership-specific advantages and location-specific advantages are not necessarily independent from each other.

3.1.3. LOCATIONAL DIMENSION OF INTERNATIONALIZATION

The concept of the product life cycle, further elaborated by John Vernon, introduced for the first time an explicit explanation of the evolution of international production. He contributed with a locational dimension of internationalization into the product life cycle concept. His model was originally based upon the United States experience. This theoretical approach illustrates the shifts in locating many activities such as the production from the home market to markets abroad.

The starting point was the assumption that any local producer is more aware of introducing any new product locally than elsewhere. The evolution of internationalization production will from this follow the ongoing process of the product life cycle. The process starts with a new product produced in one country and which is exported to other countries. Next, new production facilities are started in another country, where exports to a third country might be considered. The third stage includes exports from the new plant as well as from the original country to a third country. The fourth stage involves exports

²⁶ Dicken (1999).

to the original country from the new plant abroad (export substitution effect)²⁷. The fifth stage is close to the previous stage, however, there is an effort by the company to continuously support exports through FDI efforts into the new plant or by upgrading the exports, products and services, into higher qualities standards²⁸.

This internationalization explanation of the local evolution of companies is very general and modest since it cannot explain the majority of international investments by companies abroad. Most firms, and depending on their economic area, have become more complex globally, which makes it unrealistic to assume a simple evolutionary sequence for all companies.

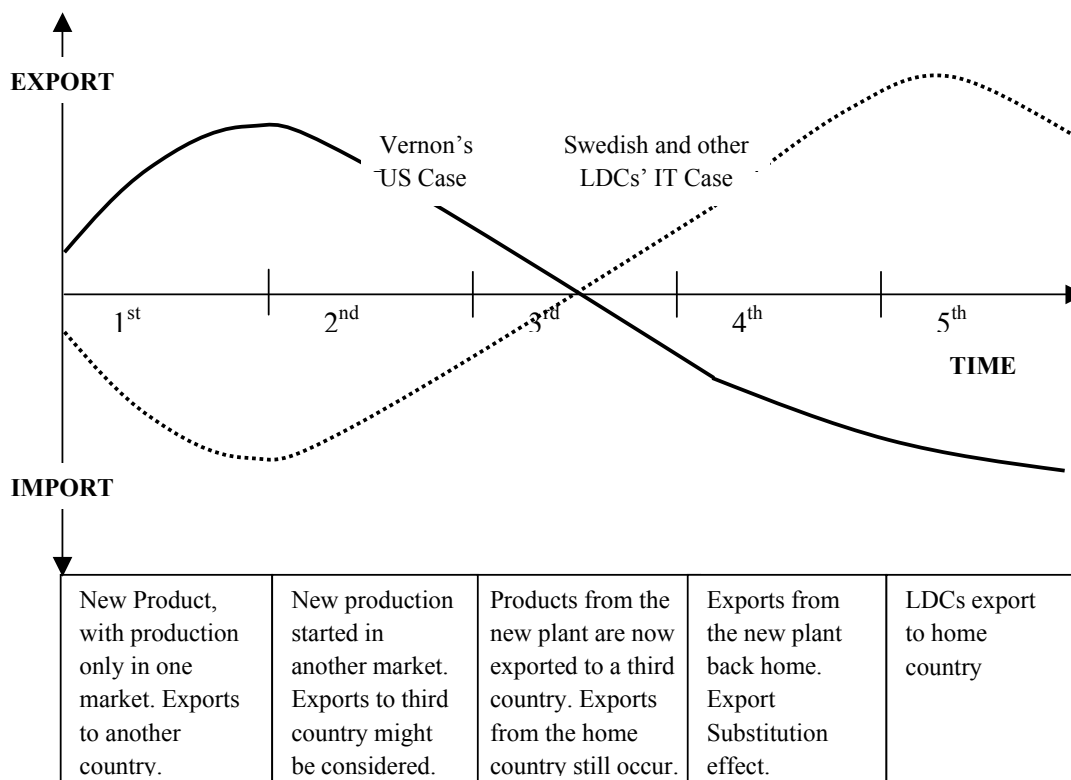
Regarding this issue, it is good to point out that for instance, some countries (e.g. Sweden and some Less Developed Countries' (LDCs)) have seen some of their Information Technology companies start in their internationalization process in a different scheme than the previous one. Their companies started in their process by importing rather than exporting. Certainly, most of Vernon's steps follow after this different but initial step. Although, it is important to underline that those companies started by importing goods and services in an attempt to acquire know-how. Hence, their second internationalization step will be the import substitution, for which the company's activities and policies will finally lead to export expansion. This and Vernon's paths can be seen in the next figure²⁹.

²⁷ Dicken (1999).

²⁸ Claes Alvstam, Class Lecture, September 2000.

²⁹ Ibid.

FIGURE 5: THE PRODUCT LIFE CYCLE AND ITS EFFECTS ON THE LOCATION OF PRODUCTION AND TRADE



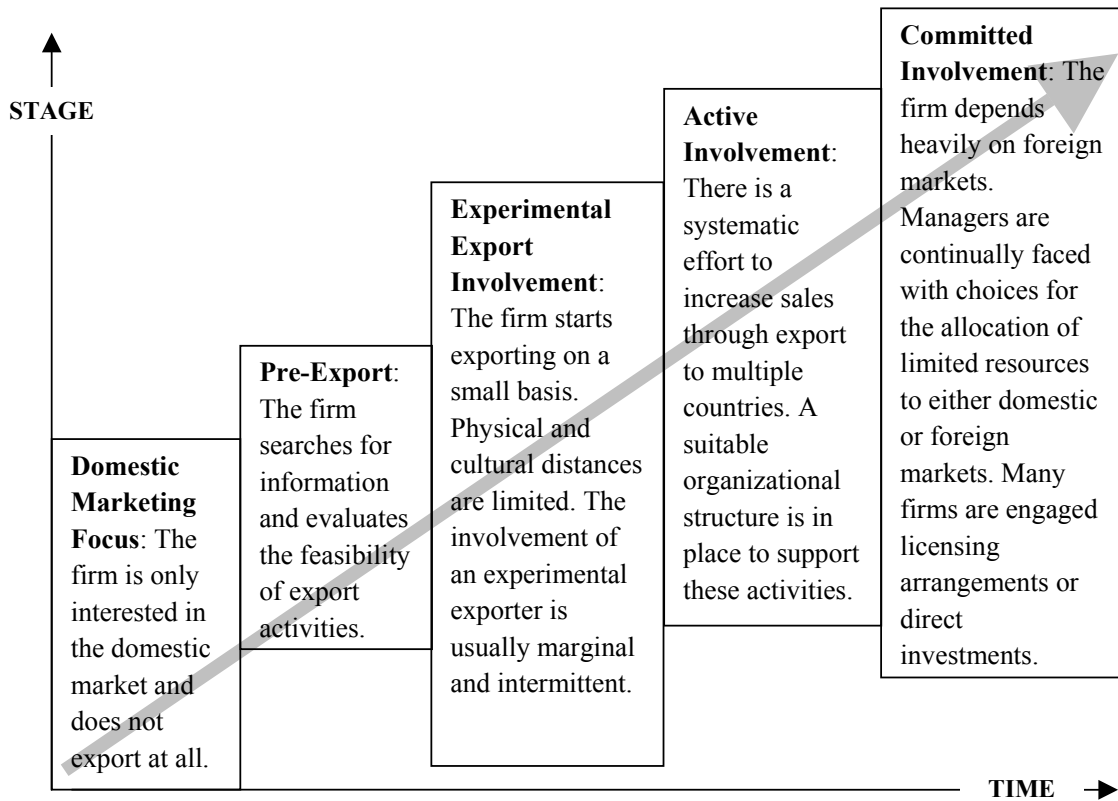
Source: Own (2001) adapted from Wells presented in Dickens (1999).

3.1.4. A STEPWISE INTERNATIONALIZATION PROCESS FOR SMES

This section presents a theoretical description of the internationalization process for SMEs, throughout five stages (Domestic Marketing Focus, Pre-export, Experimental Export Involvement, Active Involvement, Committed Involvement)³⁰. Furthermore, the advantage of this theory is that the description of these stages leads to the SMEs’ strategic process, denoting their different needs in terms of information and advice. Please see the next figure.

³⁰ Gankema, Snuif, and Zwart (Oct 2000).

FIGURE 6: STEPS OF INTERNATIONALIZATION FOR AN SME



Source: Own (2001) adapted from Gankema, Snuif, and Zwart (Oct 2000).

The first stage describes SMEs as companies that do not consider any other markets than their own. In this stage, SMEs are too much involved in their common activities, considered mandatory for them in order to be successful in their home domestic markets. Moreover, these businesses might not internationalize, as they do not have the capabilities or resources required for handling any international activity. Thus, SMEs here are not ready or willing to take the big step towards internationalization³¹. In this manner SMEs need to be informed about the benefits and possibilities internationalization can bring to them, so that they can start creating the necessary knowledge and desire, which will help them evaluate the possibility of developing outside their domestic boundaries.

³¹ Mercado, Welford, and Prescott (2001).

The second stage, comprises SMEs that have decided, but not in a deterministic manner, to go abroad³². So SMEs have to be able to answer to themselves different questions, such as why going international, where to go and how to go. These answers are crucial, as they will form the basis for whether the outcome will be successful or not for the new venture.

The first question, why, should preferably be answered with one or more of the following four factors. First, to follow the customers into the international arena, happens, as many companies must integrate their activities (including procurement) to their developing and emerging customers. Customers' requirements are increasing so that they want the supplier to provide with larger and more focused offers³³. Second, to gain efficiency, which can be obtained, for example by increasing its market coverage area, if the SMEs will be able to increase their production and create economies of scale. The third factor is if the SMEs can gain from exploiting superior technology or business know-how that they have developed in the domestic market or duplicated in the international arena. The fourth factor, spreading the company's operations to different countries, will allow them to defend themselves from local and foreign competitors. For example, if a competitor from a foreign country dumps the prices in the company's home market, the company can retaliate directly in the competitors home market.³⁴

The second question for internationalization, where, is about the decision the SMEs have to make regarding where it geographically should start its export and to what customer segments it should try to target etc.³⁵

The third question, how, deals with the SMEs' decision on in which way they would enter into the foreign market. For example, should they start by just exporting and let the existing sales department take care of the sales, or should they open up a sales' office in the specific country etc. There are many different ways of entering a new market, and each company has to carefully consider which one is the most appropriate for them.

³² Gankema, Snuif, and Zwart (Oct 2000).

³³ Ibid.

³⁴ Jenster and Jarillo (1994).

³⁵ Gankema, Snuif, and Zwart (Oct 2000).

In the third stage, Experimental Export Involvement, the first attempt or attempts to export by the SMEs are comprehended. The SMEs start in a small scale to export in order to see whether everything works according to the latter stage plans. This usually means that the SMEs are concentrating on one market in order to develop their exporting activities in the best possible way. Although, SMEs are still in the beginning of the internationalization, hence the export involvement is usually marginal and irregular³⁶. At this stage, SMEs need to be continuously supported by more general, becoming specific, information such as business culture, logistics etc. This will further encourage the company to do more and better activities abroad.

When companies move into the Active Involvement Stage, the first exporting attempts were a success. Hence, SMEs have decided to make extra efforts to increase their presence abroad. An important aspect of this stage is that SMEs must develop their organizational structures in order to match them with their new requirements³⁷. Hence, SMEs require very specific information that will help them to support and develop their international activities. However, if this is the case, this stage might demand information about other opportunities in other markets or contacts, so that SMEs increase their international operations.

The final stage in the Internationalization Process for SMEs is the Committed Involvement stage. Here SMEs have moved from viewing the foreign markets merely as extra sales, to being heavily dependent on the international market. For that reason, SMEs are continuously struggling with choices for where to allocate its scarce resources, either on the foreign market or on the domestic. Many companies in this stage have moved from only exporting to a more long-term commitment in the specific market, for example through direct investment, licensing agreements, etc.³⁸. Consequently, they still need to be assisted when it comes to realizing their strategic decisions, but this assistance is more sporadic. For example the SMEs need assistance in the form of information and advice dealing with how to improve specific managerial tasks in the local and/or the international milieu.

³⁶ Gankema, Snuif, and Zwart (Oct 2000).

³⁷ Gankema, Snuif, and Zwart (Oct 2000).

³⁸ Ibid

Nevertheless, SMEs will also need a service providing them with the general information and advice about other markets in order to enable them to continue their expansion to new markets. For that reason, their needs could repeat themselves in the form of the second step of their internationalization process.

3.2. INFORMATION COLLECTION THEORY

The possibility to exploit information, as a resource, provides companies with great value to the fulfillment of special and different types of needs. Thus, the importance of possessing information, in the form of data, advice, etc., leads to the main objective for information gathering or collection for any company.

This particular process is further described by a definition of environmental scanning as *“those efforts, which are connected to an organization’s collection and utilization of information about events and trends in the external environment with the purpose to be able to support the management with the planning of the organization’s future business”*³⁹. For that reason, the possession of the competence of collecting and exploiting information, if properly managed and developed, is crucial as it enables any type of company to obtain and present different types of competitive advantage.

In any companies’ quest for internationalization, the most important factor for being successful abroad is information. As quoted from Dr. Angela Airoidi, Bocconi University, Milan, *“SMEs do not have trouble adapting to export market customs, just learning what those customs are.”*⁴⁰. In this way, there is a vast area from which those barriers can arise. For instance, information can include topics such as, languages, customs, standards, procedures, up to information regarding the finding of a representation within the market, etc. Hence, it is not difficult to understand that without the possession of information of this nature a lot of uncertainty can be created for the companies such as SMEs in going abroad. It is even argued that the slightest mishap in this matter can ruin a deal that has taken years to build up. Furthermore, the more distant and unfamiliar a foreign market is, the higher the barriers will be, which even more enhances the uncertainty⁴¹. This is the major reason why

³⁹ Heer (1999) p. 85.

⁴⁰ Nothdurft (1992) p 39.

⁴¹ Nothdurft (1992)

neighboring countries and other countries with similar settings have more trade between each other than with more distant countries.

Conclusively, there is the need by companies such as SMEs to possess any types of methods of information gathering or collection in order to overcome the barriers from the internationalization process. Nevertheless, especially SMEs need easy access to this kind of information since they often do not have the resources to buy or outsource this process or, as they do not have the required skills or any own intelligence-gathering tools, they cannot conduct this process by themselves.

An appropriate provider for this service is often the country's government through special actors, as it is of its main interest to see its business environment develop. However governments are careful providing information, as it can differ in depth as well as sensitivity character. Therefore, the information collected by the government in particular for companies already or willing to export ranges from trade statistics, information on overseas markets including country profile and sector reports, trade leads up to crucial insights such as the knowledge of financial capabilities to conduct special international projects⁴².

All this information is brought together in the form of information and advice that those national actors could or do offer to their national companies. Nevertheless, since the first internationalization process for companies particularly SMEs demand very basic information, the government offers it through services such as the Export Information Provision, which is free or low of charge. If there is the demand to obtain more in depth and sensitive information the government directs the demanding companies to the Export Consultancy service, which is a charged service in order to have access to that particular information and advice.

Furthermore, in order for the government to provide even the less in-depth information and advice to its companies, an information collection process has

⁴² Nothdurft (1992)

to be structured. Hence, it must possess a clear and definite plan for the execution of the information collection.

The hereby-used strategic model for the collection of information is the one presented by Mercado, Welford and Prescott. Their model is originally intended to depict how to formulate a competitive strategic plan for growth in Europe. Nevertheless, this theoretical framework is also applicable in the collection of information, as it encompasses the companies' needs by directing strategy to opportunities created in the external environment.

Furthermore a key contribution of this framework is that it presents different models or techniques to collect information and advice satisfying any companies' needs (e.g. SMEs) in the different stages of their internationalization process. Some of those models, within this strategic framework, are; the Five-Force Model, the Institutional Network Approach, PEST analysis, the Market Assessment, SWOT analysis, and the Value Chain Analysis.

3.2.1. STRATEGIC INFORMATION COLLECTION FRAMEWORK

As mentioned earlier, in order to present a framework, which highlights the ways to collect information, by part of the government or more precisely Export Promotion Programs, we have modified the original strategic framework model presented by Mercado, Welford and Prescott.

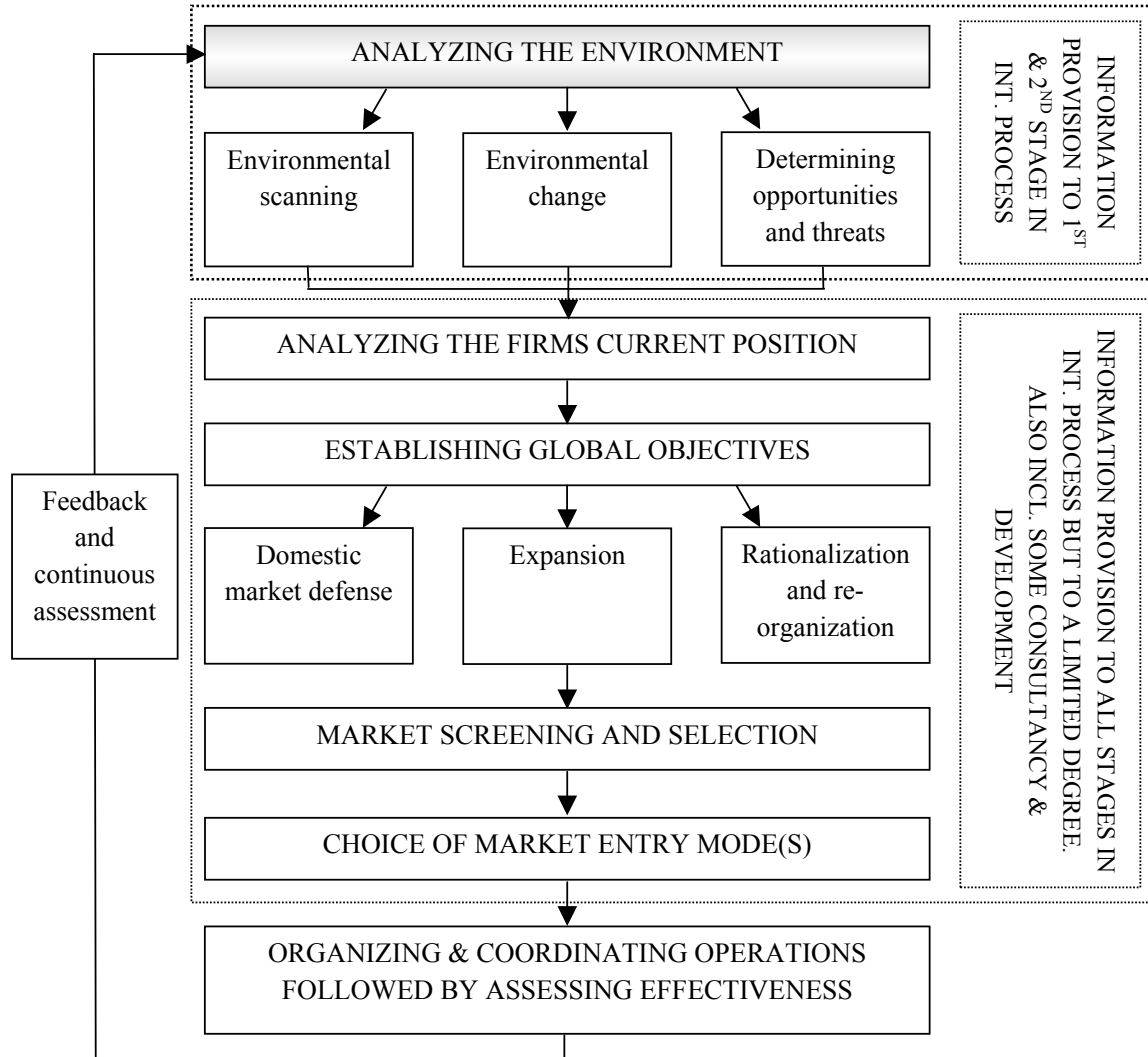
This framework highlights the strategic decisions these organizations have to take in consideration to support and assist businesses in their internationalization process. Nevertheless, a key feature of this adapted framework is that it is taken from the Information provision service point of view. Hence, it presents the decisions these actors need to make to realize the mentioned support and assistance.

For that reason, and in accordance with the particular description of this service, the first step of the framework, Analyzing the Environment, is the one that first and foremost deals with the provision of information and advice of the type of the Information provision service. This step is related to the first and second stage in the Internationalization Process for SMEs.

Furthermore, the following steps, Analyzing the Firms Current Position, up to the Choice of Market Entry Mode(s), also involve the supply of information and advice, but of a higher nature and degree of depth. For that reason, these steps are mostly included in the Export Consultancy and Development services. Nevertheless, the reason to include and describe them is that the Information provision service could to a certain extent include information and advice of this type.

Despite of that fact the boxes Organizing & Co-ordination Operations and Assessing Effectiveness, and Feedback and Continuous Assessment, are included in the framework but not described. The types of information and advice needed in those boxes address specific types of information and advice which are more of an in depth character demanded by companies such as SMEs. Based on that, they are provided exclusively to the companies through the Export Consultancy and/or Development services.

However, a key factor of the framework is that it shows that there is an ongoing process of feedback and continuous assessment of opportunities in the external environment. For that reason, this process of collecting information must be ongoing, not only to discover whether there are new opportunities that can be provided in the form of information and advice, but also that companies such as SMEs, as they reach the final step in their internationalization process, might demand again information which is of a low level of depth and sensitivity. For a clear visualization of this strategic framework, please see the next figure.

FIGURE 7: STRATEGIC INFORMATION COLLECTION FRAMEWORK

Source: Own (2001) adapted from Mercado, Welford, and Prescott (2001).

3.2.1.1. Analyzing the Environment

This first step encompasses the most essential part of information collection in order to provide services towards SMEs. This step includes collecting information from both the immediate and distant environment. The immediate environment involves the collection of information that will assist the SMEs by analyzing existing markets and patterns of competition etc. The distant environment, on the other hand, involves the collection of information directed towards the general information provision concerning information such as cultural, socio-demographic, political etc. aspects in the foreign markets.

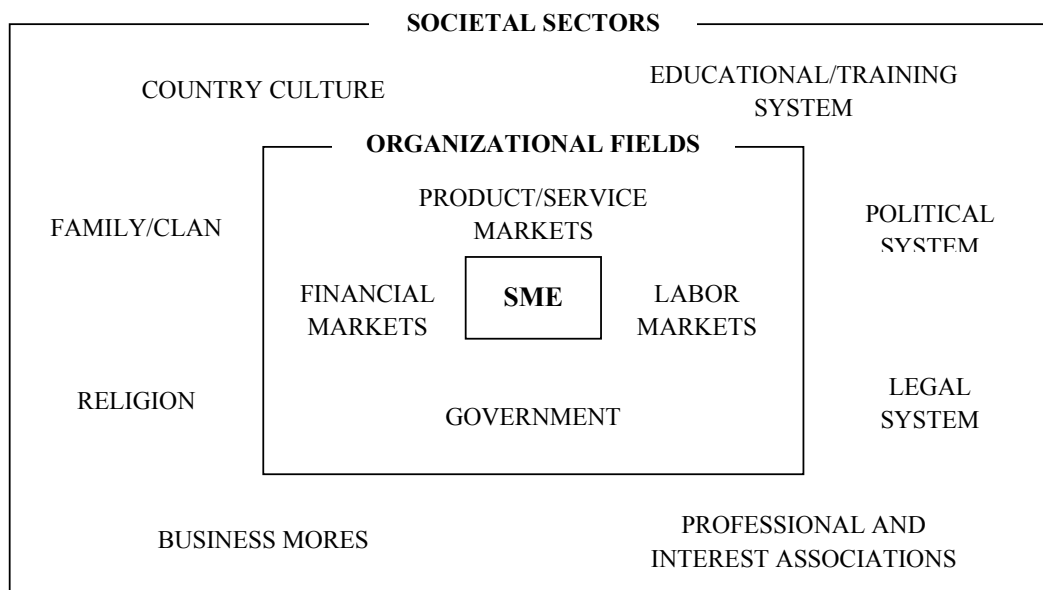
Moreover, the information to be collected encompassing the aspects of the more distant to environment of the SMEs can be collected through the use of different models. In this matter, the Institutional Network Approach and the PEST analysis are two of those models.

The information possible to be collected from these models will provide the SMEs with information more of a general nature, but it could also be of a very specific one. For example, these models will answer to questions such as what are the critical factors for success in each market, can earnings be remitted from the destination country, what is the general level of government and business morality, etc?

The Institutional Network approach identifies and describes institutions that exist in a country, which set the rules and framework for how to conduct business. By identifying and describing the involved institutions, different dimensions such as norms, values, and standards, thought styles and enforcement mechanisms are taken in consideration. Moreover, there are a number of different institutions, which belong either to organizational fields or societal sectors⁴³.

On one hand, the organizational field, which comprehends institutions that directly have an impact on companies such as SMEs, includes institutions such as government, financial market, labor market, and product/service markets. Moreover under certain circumstances companies, especially MNCs, can influence these institutions. On the other hand, the societal sector includes institutions, which also have an impact on companies. Institutions included in the societal sector can be country culture, family clan, education/training system, legal system, political system, business mores etc. However, their influence is only one-way, so that there is no manner to adapt or change them rather than just to take them. Conclusively, any type of companies does not have any influence on the societal sector institutions as it has on the institutions within the organizational field. For a full apprise of this model, please see the figure below.

⁴³ Jansson (2000).

FIGURE 8: INSTITUTIONAL MODEL

Source: Jansson (2000).

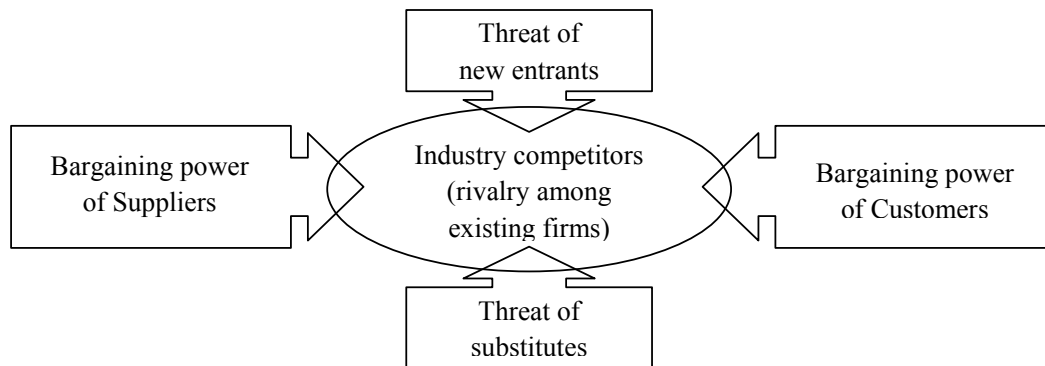
Conclusively, the Institutional Network Approach describes the macro environment within different markets and it is important to mention that the legal framework in a market set up the formal requirements, while the above-mentioned norms and values set up the informal requirements. For that reason, the Institutional Network Approach in this part of the model only covers the different institutions in a general manner in order to provide the SMEs with the information about how to conduct business in different markets. However, later in the internationalization process the Institutional Network Approach will be used as a tool for providing the SMEs with the service of how they can structure its organization in order to match with that stage's requirement.

The PEST analysis, on the other hand, with all its variations, (e.g. PESTLE, PLESCET) includes factors such as political, economical, social and technological that can be collected. These factors deal with the auditing of firm's contextual environment in order to provide with opportunities in different markets.

The information to be collected through these two analyses will differ from country to country, due to the institutions and factors varied importance for each country’s business environment. Hence, this collection technique has to be done on a broad basis covering more or less every country in the world. In this way these models will provide the chance to collect business opportunities for the SMEs. This is provided, first by The Institutional Network Approach, through the information on how to conduct business, which will lead to that the SMEs can better identify and grasp the opportunities in different markets. Second, through the PEST analysis, which provides the information about the major forces in the different markets. These models also provide the background to answering where to go, which is described later in this section.

The immediate environment has a direct influence on the company’s capability to position itself against its competitors. This includes information essential for finding out the reasons for why a company will go abroad (background of their situation). The model used here is the Porter’s five-force model, which captures the industry’s forces that have a powerful impact on the company, please see the next figure⁴⁴.

FIGURE 9: PORTER’S FIVE-FORCE MODEL



Source: Mercado, Welford, and Prescott (2001).

Threat of new entrants deals with issues relevant for how attractive the industry is for new entrants with focus on different factors, such as capital requirement, economies of scale, absolute cost advantages etc. **Threat of substitute** is about how the competitive situation looks like regarding the

⁴⁴ Mercado, Welford, and Prescott (2001).

availability for products having features that are close to the offered product, which determines the customers price sensitive. **Industry competitors** involve factors relevant for understanding the immediate competitive environment (e.g. concentration, diversity of competitors, cost conditions). **Bargaining power of customers** involves the factors determining how the customers will behave when it comes to their ability to exercise pressure in price bargaining executed through two main factors, price sensitivity (e.g. product differentiation, competition between buyers), and relative bargaining power (e.g. size, buyer's switching cost). **Bargaining power of suppliers** includes the same factors as the ones for bargaining power of customers, but with a focus on the suppliers⁴⁵.

The five-force model can also be used in the market screening and selection, which is presented later in this section. However, in that step the model is used in a specific market that the company is considering to enter. Specific questions that can be addressed through these models are; how concentrated or dispersed are their sales in terms of numbers of customers, what share of the market do they command, what are their main competitor's respective shares etc?

Despite of that within this first part of the model, the issue of collecting information regarding future opportunities and threats the internationalization is also included. For this particular purpose the SWOT analysis (Strength, Weaknesses, Opportunities, and Threats) can be used. First, this model covers the identification of strengths of different foreign environments. In this way a comparative analysis of different countries or markets can be appraised. Second, the weaknesses take up any constraints, faults etc. within the analyzed markets. Third, opportunities deal with key factors that could constitute opportunities for the SMEs in going to the identified market or markets. Finally, threats will provide the information concerning the negative aspects of the foreign environments with regards to the SMEs.

To conclude with this step, it is important to highlight that the information to be collected is mostly general and valuable for all companies in the country (institutional model) and specific to the assisted company (five forces and SWOT analysis). However, and depending on the degree of need, it could also

⁴⁵ Grant (1998).

be very specific in order to satisfy with the needs of the SMEs. Nevertheless, it is important to mention that what these three parts of this step have in common is that they cover the information collection for the first stage in the SMEs' internationalization process. For that reason, they can be applicable to the Information provision service.

3.2.1.2. Analyzing the Firm's Current Position

The second step of this framework concerns information collection and gathering of the internal environment of the SME or other type of companies. For that reason, the type of information to be supplied has a very different focus than in the previous step, but it is very useful for understanding the background of the SMEs. The value chain analysis, which aims at identifying resources crucial for a company's competitive advantages, can be used here. Thus, the information methods to collect this type of information have to include an analysis of the internal components of a company, through five primary (inbound logistics, operations, outbound logistics, marketing and sales, and after-sale services) and four support value-creation activities (procurement, technology development, human resource management, and firm infrastructure)⁴⁶.

Moreover, the collection of this type of information also has the intention of comparing the company with its competitors. In that analysis, a matrix can be used where the different components of the value chain are graded, both for the company as well as the competitors.

For that reason, and clearly identifiable, the nature of this information, is quite different to the one in the previous step. Therefore, in most of the cases, the information to be collected and supplied is taken within the Export Consultancy and Development services. However, the Information provision service should, to a certain extent, also cover this type of information, as it will determine the strategic opportunities to internationalize.

3.2.1.3. Establishing Global Objectives

In this step, there is no information to be collected by the government, or other actors in export support and assistance. Rather it involves the analysis of the

previously collected information in order to establish different insights, in the form specific objectives, relating to the decision on how the SMEs will have to proceed in their developing process. Therefore, by the collection and supply of this type of information for SMEs or other companies will provide the chance to decide to stay and defend their domestic market position, or to expanding into foreign markets⁴⁷.

Conclusively, as clearly identifiable this step does not involve much of the nature of the Information provision service. Hence, the creation of this particular type of information is mostly taken in the Export Development and Consultancy services. Despite of that the provision of information and advice of this type is very important, as part of the internationalization processes.

3.2.1.4. Market Screening and Selection

This step comprises the gathering of information by a method for market screening. This method aims at analyzing and assessing markets in order to identify a small number of desirable markets by eliminating those less attractive. This method involves five levels, where the information needed differs in each level. By going through the different levels, ranging from initial screening to final selection of new markets, the initial list of potential markets decreases continuously⁴⁸. Through the different levels, different types of information falling under these main groups have to be collected; basic need potential for the specific company's product, financial and economic forces, political and legal forces, socio-cultural forces, and competitive forces. Each one of these deals with information under each level in the presented order. Finally, the remaining markets have to be visited in order to carefully scrutinize their potential.

For that reason, what the collected information at this step has to answer in this, for example; what are the history, current level and expectancy for inflation; how well is demand met by current suppliers etc?

⁴⁶ Mercado, Welford, and Prescott (2001).

⁴⁷ Mercado, Welford, and Prescott (2001).

⁴⁸ Ball and McCulloch (1996).

3.2.1.5. Choice of Market Entry Mode(s)

This step involves the collection of information of the different entry modes for companies abroad. The different entry modes are grouped in three generic entry modes; export entry modes, contractual entry modes, and investment entry modes. Often the different types of entry modes are the same in most of the countries in the world, but there are differences. Therefore, the information about this issue has to be collected for every possible country.

To some extent the main Export Promotion Organization of a country can provide this information in the form of the Information provision services. However, in some cases, the advice given within the Information provision about this matter does not fully satisfies with the needs of the SMEs as it does not posses an in-depth character. For that reason, and based on the fact that this information is very crucial and sensitive for the company, it is mostly offered in the form of advisory assistance which pertains to the Export Consultancy service.

3.3. THEORY FOR THE EXPORT PROMOTION NETWORK

This section continues with the supply side of the Export Promotion. The previous section dealt with the framework to collect information, regards the Information provision. Therefore, it is natural that this section takes up theory related to the arrangement of the Network of main actors, which provides services such as the one of Information provision.

Hence, this section starts with a brief description of the formulation of Export Promotion Policy and Programs, which is important, since it provides the insight as to why Export Policy and Programs must be created first of all. Thereafter, a description of the structure of the Network of main actors continues. Thus, this description includes five crucial characteristics, which constitute the theoretical framework for how to structure a network of main actors.

3.3.1. FORMULATING EXPORT PROMOTION POLICY & PROGRAMS

Export promotion, occurs since there are strategic policies from specific national objectives, which when implemented constitute a program towards exports. E. P. Hibbert further states, “*National export objectives and policies guide the creation and performance of national export promotion programs that will provide support... ..for the achievement of specific export targets.*”⁴⁹



Source: Own, 2001.

Thus, Export Promotion Programs (EPPs) are the guiding lines laid down by export promotion policies, which decide how export activities should be performed, who should perform it, and how it relates in function and in time to other governmental activities and plans such as social cohesion, environmental protection, etc.

It should be clear, though, that for any country, its export promotion policy and programs are unlikely to be effective if there is no macro economic order including a stable exchange policy, and clear and strong investment rules to guarantee export activities, accompanied by a continuous modernization of the state apparatus⁵⁰. So, it is essential for export promotion that there is a basis of policy, outlined by some economic rational by part of the government.

Furthermore, taking into consideration that in many cases there have been insufficient and inappropriate attempts to boost exports, it should be kept in mind that for a national export success, national Export Promotion Policy and Programs should be in an ongoing and dynamic process that interacts with all the available elements. In addition to this, Export Promotion Policy and Programs should present some particular characteristics such as a developmental character, have the presence of the private sector, the establishment of strategic alliances between the various and relevant economic

⁴⁹ Hibbert (1990) p. 80.

⁵⁰ Hibbert (1990).

actors, among others. Nevertheless, it is important to mention that there are many constraints that disable the change or improvements in Export Promotion Policy and Programs. Despite of that it is important to mention that there is an urgent need to attend at least those parts of the overall machinery that are directly connected with export business. In this matter the next section directly addresses important issues that deal with structure of the Export Promotion Network.

3.3.2. THE STRUCTURE OF THE NETWORK OF MAIN ACTORS

It does not necessarily follow that export performance will improve just because a national EPP has been designed. Neither by placing emphasis on the participation of the government and private sector in developing a country's export drive⁵¹. A structure encompassing all actors and the linkages between them is required for successful leadership and committed to ensure that a country's export promotion and development goals are adequately defined and integrated into an economic development plan so that there is a clear connection of the priorities accepted by all the sectors, levels and actors of the export sector.

Additionally, such a network is needed to formulate policies and programs through which the export goals are established in the national plan fitting with the other national plans. Another reason why this network should exist is that it will oversee the implementation of the created programs and to ensure an effective feedback form experience, which would improve the formulation of future plans for the export sector⁵².

Moreover, no single network model will suit all countries. Hence, it is hard, if not impossible to suggest a unique model for creating a supreme network of main actors in exporting. There are, however, several common characteristics among the models adopted by countries that have achieved sustained export success⁵³. Some of these characteristics are next described in order to suggest how to improve, if possible, such structure. Furthermore, we have to address that the nature of modern and diverse economies, where businesses face many

⁵¹ International Trade Centre (1999).

⁵² Hibbert (1990).

⁵³ Hibbert (1990).

choices for development, is such that formal structures will ensure more consistent results. But, it is important that these networks must be built with flexibility in mind, so as to allow adapting to today's rapidly changing environment⁵⁴.

3.3.2.1. CHARACTERISTICS FOR A NETWORK OF MAIN ACTORS

There are five common and crucial characteristics for a network of main actors. The first characteristic is that different sets of institutional and functional linkages should be established at the three stages of the export strategy process. These sets of strategic linkages are; planning and consensus-building linkages, implementation and efficiency-building linkages, and performance monitoring and assessment linkages.

The second characteristic for a network of export actors is that there should be a definite institutional structure at the center of this web of linkages, which coordinates and facilitates interaction.

Third, at the planning and consensus-building stage, formal and informal linkages should be established and consolidated for what is the essential partnership among the three principal stakeholder groups in the national export development effort. These stakeholders are: **The Government** which is composed of Economic Ministries (Trade, Commerce, Industry, Agriculture, Finance, Technology, Regional Development and Planning), Central Bank, Ministry of Foreign Affairs, Social and infrastructure Ministries: Transportation, Education and Labor, Industrial and investment promotion agencies, National trade promotion organizations and trade support institutions, Specialized trade support institutions. **The private sector** includes Exporters' and manufacturers' associations, Chambers of commerce, Small-business associations, Industry associations, and Employers' confederation. **Labor** only consists of Trade unions.

Formal linkages do not in themselves ensure that consultation goes deep enough to guarantee that a viable strategy will emerge. Often *less formal* linkages, and the ongoing process of consultation among, and within, the public

⁵⁴ New Zealand Trade Development Board (1999).

and private sectors, contribute most to effective planning and consensus building.

To obtain full national consensus and institutional commitment to the export strategy, the strategy-maker must ensure that five conditions are met. First, all social partners are brought into the planning process. Second, formal linkages are established among the most senior decision-makers in major sectoral ministries and private-sector organizations. Third, informal linkages are encouraged among all key institutions. Fourth, the strategy is endorsed at the highest political level. Fifth, the relevant coordinative framework has been established to promote effective strategic linkages at the strategy implementation and monitoring stages.

This will, in turn, ensure that export strategy is recognized as a national priority, that the imperatives of the strategy reflect the views and concerns of all principal stakeholders and that the objectives of the export strategy are incorporated into the strategies and work programs of other sectoral ministries and major business organizations.

Fourth, the characteristic of having a web of institutional linkages should be structured to emphasize capacity of development and the internationalization of individual firms, not simply trade promotion.

Finally, the fifth characteristic is that the public sector should normally assume the leading role in initiating and energizing the linkage web and in establishing the framework within which all stakeholders will operate. This, as the government's main aim is to improve most if not all national characteristics. Furthermore, the private sector should also be involved in this activity in order to have the presence of all national interest.

Regardless of the mentioned characteristics for the Network of main actors, we next present briefly the most relevant characteristics of the main actors, as they will be the ones planning, shaping and executing any export promotion attempts by a country.

All the related export promotion organizations (EPOs) or actors can be classified under three major headings. The first one is under policies and is of an advisory or consultancy nature to the governmental and private institutions responsible for the different types of policy related to exporting. The second category can be taken under the technical term, technical services and this category constitutes the technical advice to exporters. Finally, the third category is concerned with general research and partly deals with the areas of work, which have a rather high priority when the export organization first begins its operations⁵⁵. This can be appraised in the next table, which presents the actors concerned with export promotion and with special focus on the Information provision service.

TABLE 1: ACTORS CONCERNED WITH EXPORT PROMOTION & THEIR FUNCTIONS

	CM	PO	FTC	CB	MF	MT	MFA	EPO	SIS	BS	TS
Policy Recommendations		(X)	X	(X)	X	X	X	(X)	X		X
Policy Making	X	X	(X)	X	X	X	X	X			
Control Functions	X	X	(X)	X	X	X	X	X	(X)		
Export Promotion											
Domestic promotion activities				X	X	(X)		(X)	X	X	
Advisory services to exporters						X		(X)	(X)	X	X
Commercial Representation Abroad							X	(X)			
Trade Fairs and Missions						X	X	(X)	X		
Incentives: Establishing	X	X	(X)	X	X	X		X			
Granting			(X)	(X)			X				
Export Credit			X				X		(X)		
Export Credit Insurance			X	X			X	(X)			
New Export Development	X	X	X		X		(X)		(X)	X	
Training							X	(X)		X	

Source: Hibbert (1990) p.122

Note: Xs in brackets indicate the institutions, which seem to be best suited to perform the task concerned. CM=Council of ministers and/or monetary control, PO=Planning organization, FTC=Foreign trade council, CB=Central Bank, MF=Ministry of Finance, MT=Ministry of Trade, Commerce or Development, MFA=Ministry of Foreign Affairs, EPO=Main Export Promotion Org., SIS=Specialized institutions (e.g. foreign trade institute, standard institute, etc.), BS=Banking and financial system, TS=Trade sector.

Despite this illustrative way to present the most relevant actors or Export Promotion Organizations, we present in appendix 1 a more detailed presentation of the major EPOs.

⁵⁵ Hibbert (1990).

3.4. CONCLUSIONS & SUMMARY OF THE CHAPTER

This chapter provided the theoretical framework of the thesis. This framework is composed of three parts, Internationalization Theory for SMEs, Information Collection Theory, and Theory for the Export Promotion Network.

The Internationalization Theory for SMEs provides the needs in terms of information and advice from the demand side, while the Information Collection Theory provides the theoretical framework for Information provision, which is the first part of the supply side. The Theory for the Export Promotion Network, in addition, provides the theoretical framework for how the Network of main actors has to be arranged in order to supply any Export support and assistance service. This Theory deals with the second part of the supply side of Export Promotion.

The first part, Internationalization Theory for SMEs, presents the general drivers for internationalization, followed by why companies internationalize, which highlights the specific advantages companies have to possess in order to offset the domestic companies' natural advantages. The locational dimension of internationalization is also included in this first part, describing what a firm's development might look like in the local and international markets, in the light of the product life cycle. Finally, a stepwise internationalization process of SMEs is also included in this first part describing the different stages SMEs will go through when they are expanding to markets abroad. Moreover, it is crucial to mention that throughout the different stages there is also an identification of the specific types of information these firms might need.

The second part, Information Collection Theory, presents the theoretical framework for the information collection in order to satisfy with the SMEs needs in their internationalization process. Thus, different theoretical aspects of information collection are here described through the strategic information collection framework, which has its point of departure in the SMEs needs when it comes to the Information provision service. However, the different theoretical aspects involvement in the collection of information included in the Information provision service varies between the different steps. Hence, depending on their involvement, these different theoretical aspects must each collect one type of information in order to satisfy specific needs from the

SMEs, depending on the characteristic of the need (e.g. determine why going abroad by providing information and advice about the immediate environment, highlighting opportunities by providing information and advice about the contextual environment, eliminating less attractive markets in order to identifying a small number of desirable markets by providing information and advice through analyzing and assessing markets etc.).

Finally, the third part, Theory for the Export Promotion Network, provides the theoretical aspect of the formulation of export promotion policy and programs with particular further focus on the structure of the export promotion network. For this purpose this section also includes the theoretical characteristics for a Network of main actors.

SECOND PART OF THE THESIS

This Part of this thesis involves the empirical part of this project. For this purpose it covers Chapter 4 – An Analysis of Small & Medium Size Enterprises (SMEs), and Chapter 5 – A Description of Export Promotion Programs (EPPs).

The fourth chapter presents and analyzes the empirical reality of the British and Swedish SMEs, with a focus on their specific needs on Information provision through the Network of main actors. The fifth chapter, on the other hand makes the reader acquainted with general knowledge regarding EPPs of Great Britain and Sweden. Moreover, it also presents a rich description of the Export Assistance Services including the Information Provision service and the Network of Main Actors.

CHAPTER 4 – AN ANALYSIS OF SMALL & MEDIUM SIZE ENTERPRISES (SMEs)

There is no doubt about the relevance of SMEs as an important source of growth for a country's economy. Nevertheless, it should not be forgotten that most SMEs are actually, far from dynamic and lack many types of resource and capabilities. This reality transcends not only to their local but also to international achievement and development.

Taking this into consideration, this chapter presents and analyzes the empirical reality of the British and Swedish SMEs, with a focus on their specific needs on Information provision through the Network of main actors. For this purpose the SMEs are first described by going over their Size Structure, Market Scope. Second, they are examined by a comparative analysis in order to capture their essential characteristics and challenges in the form of specific needs with respect to the mentioned focus. Finally, we provide the reader with short conclusions and summary of this chapter.

4.1. BRITISH SMEs

4.1.1. SIZE STRUCTURE

It is estimated that there are approx. 3.7 million active SMEs in the UK. In other words, there is one SME for every ten people of working age in this country⁵⁶. Small businesses (0-49 employees), including those without employees, account for over 99% of British businesses, 44% of non-government employment and 37% of the total business turnover⁵⁷. Of the 3.7 million only approx. 25,000 or 0.6% are medium sized (50-249 employees)⁵⁸. In contrast, there are approx. less than 7,000 large businesses (over 250 employees) or 0.2% accounting for 45% of non-government employment and a large 49% of the business turnover⁵⁹.

In aggregate, British SMEs account for 56% of UK non-government jobs (12 million people out of a total non-government workforce of 21.7 million) and

⁵⁶ Confederation of British Industry, *SME Council*.

⁵⁷ www.sbs.gov.uk

⁵⁸ *Ibid.*

⁵⁹ Small Business Service (Sept. 2000).

(excluding financial services) 52% of turnover. In addition, they constitute 40% of the British GDP⁶⁰. According to DTI, the number of SMEs will increase by another million in this decade⁶¹. These new SMEs are expected to make up for the employment to be lost in larger companies. So SMEs will be the main drivers of economic growth, product innovation and job creation in the UK, over the next ten years. As for any other country, it is vital to the UK's economic health that this projection is turned into reality, thus the many governmental support programs.

Furthermore, it is worth mentioning that due to the large rate of start-ups and failures, there is a high rate of SMEs' recycling in the UK⁶². Furthermore, The Global Entrepreneurship Monitor (GEM) research estimates that over 1.4 million people in the UK were attempting to start an SME in the spring of 1999. This research demonstrates that these businesses make a significant contribution to the new jobs created each year.

Nonetheless, many UK SMEs make a vital contribution to innovation⁶³. They do so as originators of new ideas and technologies. For instance, as many SMEs are subcontracted by large MNCs, their links in supply chains have promoted technical advances. In the UK, highly innovative SMEs account for approx. 5% of the total UK business employment. However, DTI's tenth annual study of Research and Development identified that, on average, British companies invest just 2% of turnover in research and development. Thus, this means that this rate should be increased, in order to improve the British business environment.

Finally, it is important to mention that even if UK medium sized firms have differing needs from the micro (0-9 employees) and small businesses, all of them face barriers to fulfilling their potential and development. Hence, there is no single cut-off point at which SMEs stop needing support. Therefore, there must be a continuous support and assistance towards these businesses as they embody the future of this nation.

⁶⁰ Meeting with Mr. Terry Noade.

⁶¹ Meeting with Mr. Christopher Moir.

⁶² Department of Trade and Industry (Sept. 2000).

⁶³ Confederation of British Industry, *SME Council*.

4.1.2. MARKET SCOPE

In the Seventh Survey of International Services provided to Exporters, it is mentioned that with about 1% of the world population, UK is the 5th largest trading nation accounting for 5% of the world trade in goods and services⁶⁴. British exporters and investors generated profits at a rate of £900 million per day in 1999⁶⁵. These are astonishing figures for any country. But as stated by the director of the British Exporters Association, in relation to other EU countries, British SMEs export in a much smaller rate⁶⁶. The Small Business Service (SBS) estimates that only a small proportion, 3.9% of SMEs in the UK are selling their goods or services overseas, approx. 144,000. From these it is estimated that there are over 100,000 active exporters and of these over 10% are extremely small firms⁶⁷. Grant Thornton's survey, further states that the UK is thirteenth in the EU in terms of the proportion of SMEs exporting⁶⁸.

DTI suggests that one of the reasons for that might reflect, in part, the UK's geographical position and strong Pound. Furthermore, by closely analyzing the low exporting percentage, it is identified that most British SMEs are small shops, bars, hairdressers, or other types of businesses, which actually will be less likely to export. Nevertheless, as stated by the SBS there is still lots to do to assist SMEs in exporting, as their needs are various, and different⁶⁹.

In order to present the major reasons why British SMEs do not export as much or why do they fail, many factors arise from the export ventures. The largest denominators are insufficient time and knowledge. As stated on a Special Report of British Exporters Association, even of those already exporting SMEs, between 18 to 34% found researching for market opportunities were much harder than expected. So, poor research may make British SMEs less aware of export potential and inhibit them from exporting. This is supported by the fact that 80% of smallish exporters (up to £10 million turnover) did not make prior research before exporting⁷⁰. It is further mentioned in a Barclays Bank survey

⁶⁴ NCM Credit Insurance and The Institute of Export (1999).

⁶⁵ British Trade International (May 2000).

⁶⁶ Meeting with Mr. Hugh Bailey.

⁶⁷ www.sbs.gov.uk

⁶⁸ Thornton (Spring 1997).

⁶⁹ Meeting with Mr. Terry Noade.

⁷⁰ British Exporters Association (2000).

that if UK SMEs conducted any research, it was rather informal⁷¹. The British Chambers of Commerce accounted that 30% of the export ventures fail due to poor research and preparation and 29% had an unsuccessful case due to inability to obtain payment or finance⁷². Thus, these are major areas of work to conduct in favor of British SMEs.

Nevertheless, as Mr. Peter Malcolm of CBI mentioned, British SMEs do not export more due to an attitude or state of mind. He enhanced that amongst all SMEs there are the major corporations of the future. Every large British company was once an SME. Therefore, with the right environment and attitude, both that give the necessary flexibility to grow and to prosper, SMEs can be the UK's engine of growth not only for trade but also for the general economy⁷³.

4.2. SWEDISH SMEs

4.2.1. SIZE STRUCTURE

There are 641,588 SMEs in Sweden. Smallest companies (0-19 employees) account for 97,9% of the total amount of Swedish SMEs and employ approx. 1 million people. Out of the 629,130, approx. four hundred and forty seven thousand companies of them do not have any employees. This makes this group to be the largest group of SMEs in Sweden. Small companies (20-49 employees), conversely, account for 1,4% (8,700 companies) of the total and employs 258,770. The third group, medium size companies (50-199 employees) are 3,760 (0,6% of the total) and employs 339,190 persons.⁷⁴

Consequently, the Swedish company structure is dominated by the SMEs, approx. 99,9%. These companies employ 67% of the private sectors 2,5 million workers. This means that the large companies employ as much as 33% (857,000) of the workers⁷⁵. Comparing the four different groups when it comes to the amount of employees, the structure can be described as a half martini glass turned upside down. This is illustrated in the figure below.⁷⁶

⁷¹ Barclay Bank (1996).

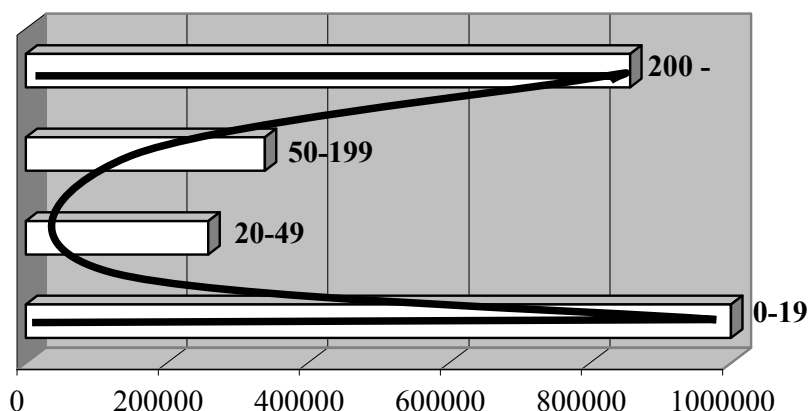
⁷² Meeting with Ms. Isabel Baumber.

⁷³ Meeting with Mr. Peter Malcolm.

⁷⁴ www.fr.se

⁷⁵ Phone interview with Ms. Sofia Linder.

⁷⁶ www.fr.se

FIGURE 10: THE AMOUNT OF EMPLOYEES DIVIDED BY COMPANY SIZE

Source: www.fr.se (Oct. 2001).

The half martini glass structure is seen as something negative for the country, because a large amount of workers depend on the success of micro and large companies. Furthermore, the problem increases, as many of the micro SMEs are dependent on the large companies by being subcontracted. Therefore, they need support to develop their business in order to be less dependent on those large firms and have a wider scope of customer and activities' base. Consequently, a significant part of Swedish workers are directly or indirectly affected by the large company's performance and the conditions in the country.⁷⁷

4.2.2. MARKET SCOPE

The domestic market for Swedish companies is small and internationalization is something companies sooner or later will have to consider⁷⁸. Swedish companies have ranked their country as a relatively important actor in world trade. But a common conception is that this trade is ascribed to the large Swedish MNCs. In 1994, the five largest Swedish companies contributed with 26% of the total export value. Ericsson by itself accounted for 10-15% of the total export value, thus the single largest exporter currently in Sweden.⁷⁹

⁷⁷ Meeting with Göran Norén.

⁷⁸ www.odci.gov

⁷⁹ SOU 2000:102 (2000).

Conversely, Swedish SMEs are often staying inside their country or attempting to enter to the other Nordic countries, some Baltic States or other close markets. Reasons for this are various, for example, the SMEs business nature is rather underdeveloped, including only a local character, they are unaware how to export to other markets, or that they are too busy just attending the mentioned boundaries. For that reason, they need large amounts of assistance to break with this tendency.

Furthermore, it is important to mention that 97% of the Swedish exporting companies are SMEs. This implies that approx. 27,126 or approx. only 4.2% of all Swedish companies abroad are SMEs⁸⁰. Nevertheless, these companies represent less than one fifth of the total export value of all companies in Sweden. Please see the following table.

TABLE 2: EXPORT FIGURES (1997) DIVIDED BY COMPANY SIZE

Size of Company (according to the amount of employees)	Number of companies	%	Value (million SEK)	%
0	2682	9.6%	7799	1.3%
1-4	12174	43.8%	8208	1.4%
5-19	8114	29.2%	17625	2.9%
20-49	2597	9.3%	20436	3.4%
50-199	1559	5.6%	48079	8.0%
SMEs total	27126	97.5%	102147	17.0%
200-	695	2.5%	497584	83.0%
Grand Total	27821	100.0%	599731	100.0%

Source: RRV 2000:7 (2000).

Moreover, it has to be remembered that this value is underrepresented due to the fact that many of the SMEs have an indirect export via subcontracting the large MNCs⁸¹. Hence they are too dependent on the result of large MNCs.

Finally, it is important to mention that according to a Swedish Trade Council study, all Sweden companies have had, during the last few years, a weak development in export market shares. In 14 of the 15 different business segments, Swedish companies' shares have gone down. Only in the traditional

⁸⁰ Phone interview with Ulrik Östling.

⁸¹ www.itps.se

segments where Sweden has a relative advantage this situation has been different. This means that Swedish SMEs and other companies must have a further development in their internationalization attempts⁸².

4.3. A COMPARATIVE ANALYSIS OF THE BRITISH & SWEDISH SMEs

The following comparative analysis of the British and Swedish SMEs has, as previously mentioned, the main purpose to highlight the needs of these companies regarding the particular service of Information provision through the arrangement of the Network of main actors in Export assistance and support. Furthermore, before embarking in this task we present some basic and general differences between these companies.

The first difference is related to the amount of SMEs active in the two countries. There are approx. 3,7 million SMEs in UK, while in Sweden there are only 641,588. This can be explained by the huge difference when it comes to the population of both countries, 59,6 million in the UK and 8,9 million inhabitants in Sweden. But, looking at the share of SMEs compared to inhabitants, in Sweden there is one SME for every 13,9 persons and in UK there is one SME for every 16,1 person. This makes the share of SMEs larger in Sweden than in the UK.

Furthermore, another comparative factor between both countries' SMEs is the structure of the people employed by each company group. The structure in Sweden, taking in consideration all companies, has a more distinct shape of a half martini glass. This means that there are significantly many workers in the smallest businesses almost no medium size businesses and many MNCs in Sweden. This highlights the relevance of smallest firms in Sweden, but it also shows the dependence and need of development of the smallest firms since the Swedish economy cannot be relying only on its MNCs.

Moreover, comparing the amount of SMEs involved in export activities, there is approx. 27,000 exporting SMEs in Sweden, while in UK the estimated amount is only 144,000. This is a significant difference between the two

⁸² www.swedishtrade.se

countries, but this does not provide a good comparative measure. When looking at the number of exporting SMEs in the light of the respective country's total SME base the situation looks quite different. From all British and Swedish SMEs, only 3.9% of the UK ones' export while 4.2% of the Swedish ones do so. Hence, we can argue that Swedish SMEs are more likely to export than the UK ones. Despite of that this situation for both SMEs is very underdeveloped and so it should be increased, even if we consider that many of both SMEs export through their MNCs' subcontracts.

Regarding their specific needs around the service of Information provision through an arrangement of a Network of main actors for Export Promotion, we next present an analysis for each country SMEs by taking into consideration their specific challenges relating to this matter.

4.3.1. BRITISH SMEs' CHALLENGES

Despite the fact that it is argued that UK SMEs business world is rather exciting and that there are several opportunities, these businesses nowadays face a more changing and harsh environment than ever. The general economic downturn in the world, with its consequences, demands the need for more innovative and rapid responses to accelerating market pressures. For that reason, whether UK SMEs move and act correctly towards any circumstance has become their quest of the Holy Grail. UK SMEs must, so, understand that running the business in the same way from decade to decade can lead to serious troubles. In this matter it is crucial for them to plan strategically and on long term basis, not only locally but also abroad. Moreover, due to their internal constraints, the need of support and assistance in the form of information and advice towards them in this matter is compulsory.

Among other things, British SMEs require a greater management expertise than in the past. British SMEs consist of small teams, sometimes of a single individual manager. These teams are responsible for every activity realized by the firms. Hence, SMEs' directors and staff need to improve their level of skills, both professional and vocational in order to take local and global opportunities. It is argued that there are management and knowledge weaknesses in some SMEs in the UK, often as a result of a lack of training and

awareness in key skills such as financial and risk management⁸³. For that reason, there is not only need for the information but also advice from a group of actors involved in the support and development regarding these issues.

In this line, British SMEs must also think about re-designing their offerings and structure to cope with the more-demanding customers who will expect to be delighted rather than just satisfied. Hence, again these SMEs need to get a service which will support and assistance them in this subject.

Another particular issue demanding the need of the Information provision service for going abroad is regulations. Regulations set out by the British government and the international arena has a disproportionate impact on UK SMEs. The volume and variety of regulation is considerable and increasing, making it difficult to SMEs to learn about them, discover which regulations apply better to them, and to set up the administrative systems needed to comply with them. Thus, the related actors in the national and international regulation arena should compromise and arrange themselves so that by providing information and advice they will ease or simplify the burden for SMEs. This is strongly the case for British SMEs dealing with issues such as the ones relating the European Union, the Single Market and Monetary Union⁸⁴.

An extra issue leading to the need of Information provision by a Network of main actors, is taken from a DTI review. This review identified that there is evidence of a continuing finance gap, particularly between secured bank loans and venture capital, leading many SMEs to fail to fulfill their potential or even to get started⁸⁵. For that reason, there must be a better and wider support in the form of information and advice for SMEs, not only for the local but also international development in this matter⁸⁶.

Moreover, it is not surprising that it can be difficult for UK SMEs to stand back and take a measured view of their business and the future direction they need to take. If such businesses have been in existence for some time and have done

⁸³ Meeting with Mr. Christopher Moir.

⁸⁴ Meeting with Mr. Terry Noade.

⁸⁵ Meeting with Ms. Isabel Baumber.

⁸⁶ Meeting with Mr. Jonathan Hogwood.

well, it can be even more difficult for them to recognize the need for a change⁸⁷. This scenario clearly applies for British SMEs in the venture of exporting. For that reason, there must be support and assistance in the form of Information provision, which will create and render new opportunities for such venture.

Nevertheless, another challenge that British SMEs face is that, in most of the times, there is a generalization of their needs for which an effective action, focused on these businesses must be rather realized in an individual than collective way. For that reason, the need for Information provision will have to consider this characteristic as well as demand an optimal management of the network of different supporting actors in order to avoid any generalizations⁸⁸.

The most common source of advice used by SMEs for going abroad is accountants, trading houses or their banks. These actors may not always have the knowledge and skills required when it comes to provide professional advice outside their own specialist area to these businesses⁸⁹. Therefore, the SMEs need a coordinated effort that work at the national, regional and particularly at the local community level to provide first the information and advice to these SMEs. This has to be done in order for them to know which actor to contact and what to obtain from them, so that they do not loose time nor interest to go abroad.

Furthermore linked to this matter, is the issue that businesses are increasingly working together in partnerships or links with each other firms, through joint ventures, supply chain development, mutual trading agreements and so on. Thus, SMEs should continue to be assisted to first learn about the different organizational networks in export promotion and second to promote and develop them, so that a development of these partnerships or links will exploit all the possible opportunities available. Moreover, this will demand that SMEs must recognize and accept the value of working in partnership with government to achieve mutually beneficial goals. Thus, through types of information and advice of different actors in local and international development, there must be

⁸⁷ Meeting with Mr. Christopher Moir.

⁸⁸ Ibid.

⁸⁹ Meeting with Mr. Hugh Bailey.

a scenario where UK SMEs will be both contributors, and beneficiaries, of a well-managed competitive society⁹⁰.

Finally, another issue identifying the need of British SMEs for the service of information provision is that many people in Britain still believe that there are fewer possibilities for promotion, training, etc. followed by a greater risk in working for SMEs. SMEs' entrepreneurs are also not always recognized by society as playing a vital role in the creation of jobs and wealth. Therefore, there must be an effort by the SMEs and a supportive network to demonstrate their real value and benefits to create a better appraisal by the society of them. This can be realized by an exchange of information by the SMEs and the main export actors, so that together they lobby for the SMEs appraisal.

4.3.2. SWEDISH SMEs' CHALLENGES

With regard to the challenges identifying the specific needs of Swedish SMEs for Information provision, they are various and different, however very similar in the nature to the British ones. The first issue concerning these businesses with those particular needs is their large dependence on the success of the MNCs. Swedish MNCs have many subcontracted SMEs as part of their supply chains. This implies that SMEs are on the need to be more flexible and change their activities to a wider range. For that reason, they need the support and assistance in terms of information and advice to realize this change not only for their local but also international intentions.

Furthermore, Swedish as well as the British SMEs suffer of scarce resources both when it comes to personnel, time and money to go abroad. When Swedish SMEs have failed in their exporting efforts, it is usually due to poor preparation, or lack of capacity to deal with the requirements⁹¹. Hence, there is the need on the part of the Swedish SMEs to obtain assistance and support by their respective Network of main actors in Export promotion to overcome this problem. The factors of information and advice are crucial, as they will provide with the knowledge required.

⁹⁰ www.britishchambers.org.uk

⁹¹ Phone interview with Ulrik Östling.

Related to the previous issue, Swedish SMEs are on the need to attract and recruit skilled personnel in order for them to develop and become more profitable. Moreover, in order to do this Swedish SMEs must start or continue to offer personnel training and development, both when it comes to improve their local or international activities. One way to solve this challenge is that the supporting Network of actors in Export support and assistance must offer a proper education, information, etc. to these businesses so that they become more attractive for the personnel as well as to be able to conduct specific tasks such as internationalization.

In addition to this, a report from the Confederation of Swedish Enterprise highlighted that Swedish SMEs are struggling with the fact that there is a shortage of competent personnel available, particularly small companies (6-25 employees) where every second company thinks that the availability of competence is bad or completely unacceptable⁹². Therefore, there must be support in the form of the information and advice, specifically to internationalize, as it will create or improve the skills of the companies. Furthermore this will also determine the SMEs' degree of readiness for going abroad⁹³.

Continuing with this argument, Swedish SMEs have, in certain areas, special regulations that could also restrain them in their expansion path. The so-called 3:12 rule is a clear example of a disadvantage for SMEs compared to larger companies. The regulation in question is about taxation⁹⁴. Many of the Swedish SMEs are very small firms owned by one person. Therefore, they are mostly often not registered as a legally separated unit. This means that SMEs' profits could be seen as personal income and so the owner will have to pay accumulative taxes. Anyway, in Sweden, most taxes are above global standards, thus SMEs are on the challenge to see their profits to be dramatically cut, so that they are unable to fully reinvest them in their own firms.

Furthermore, linked from the previous challenge many Swedish SMEs are exploring different ways to legally constitute themselves in order to maximize

⁹² www.svensktnaringsliv.se

⁹³ Phone interview with Ulrik Östling.

⁹⁴ www.svensktnaringsliv.se

their profits. Hence, there must specifically information and consultation packages regarding this matter in order to find the most suitable solution for them. This is certainly crucial for going abroad as an inadequate legal form could restrain the international attempts of the SMEs.

On the other hand, regarding the accessibility of capital for Swedish SMEs in their local and international development, they can get most of this resource through the special agency ALMI. Moreover, as stated in a report from the Federation of Private Enterprises, even if many banks are lending more risk capital than ever to SMEs, some capital often does not reach these businesses, due to different reasons such as ignorance about the matter. Furthermore, this scenario gets even worse as many Swedish SMEs' entrepreneurs do not want to borrow money from external sources (banks, venture capital firms, etc.) because they want to avoid a degree of loss of control of their companies⁹⁵. For that reason, Swedish SMEs demand the need of information and advice in this matter, which has a great level of implication for realizing activities abroad. In other words, the different actors dealing with this particular matter must be included within the Network of main actors in order to facilitate such assistance.

4.4. CONCLUSIONS & SUMMARY OF THE CHAPTER

In short, due to their reality, both British and Swedish SMEs play a relevant role in their socioeconomic environments. For that reason, these types of businesses should certainly be appraised as the new shapers of their own business environments. Moreover, regarding their international presence and development, these types of businesses are rather underdeveloped taking in consideration their limited total share of exporting. Hence, there is the need to further support and assist them in various ways.

Concerning the assistance and support in the form of Information provision as service, we can argue that both SMEs have many challenges of a similar nature but with difference implications. Nonetheless, in conjunction all of them present a clear need of a continuous and further strengthen information and advice offering for their internationalization purposes.

⁹⁵ www.fr.se

For instance, similarly both SMEs still have some problems in obtaining and raising capital. Hence, there is the need for them to receive support and assistance in the forms of information and advice not only for the local but also international arena. Furthermore, a major challenge connecting to the last idea is that in the Swedish case, many SMEs have a great disadvantage towards their British counterparts when it comes to taxation. Due to the fact that many Swedish SMEs are looking for different ways to overcome this burden (e.g. in terms of choosing the best possible legal status), there is the need for specific support and assistance in information and advice to cope with this issue. Moreover this issue is crucial for going aboard, as a beneficial legal status for Swedish SMEs in Sweden might be inappropriate internationally.

Another issue highlighting the need for Information provision, specifically in the process of internationalization, concerns the issue of regulations. Both SMEs are on the need for information and advice about local and international regulation to develop. British SMEs appear to be in a disadvantageous position compared to the Swedish ones in this matter just by mentioning the EU regulations. Hence, and not only applicable to the British government and other related actors, the Export Promotion main actors have to better arranged to provide information and advice about these issues so that their SMEs can cope with this burden.

An additional similarity for British and Swedish SMEs relating to their need of the Information provision service is that SMEs in both countries also face together the issue of dealing with strategic and long term planning for enabling them to stay alive in the long run. Therefore, managers and related personnel in these SMEs are on the need to receive assistance in the mentioned forms to develop their managerial skills to a higher level so that they can, not only match their local, but also international requirements.

A challenge connected to this idea is the issue of the employment situation and societal appraisal for SME's is in both countries. With some informative and advisory assistance, the SMEs in both countries have to improve and wider their activities to better prove the advantages in working in such businesses, so that they can attract professionals with the skills needed for future success.

Hence, there is the need for Information provision as a service to develop the SMEs internal characteristics.

Furthermore, another similar challenge for both SMEs, showing the need of Information provision is based on their dependence on MNCs in terms of sub-contracts. Due to the latest economic downward trend, many MNCs have been forced to cut back, and that have affected SMEs. Some of them have gone bankrupt while others have had a hard time staying alive by finding possible survival solutions (e.g. new customers, redirected to another business area). Moreover, due to their restraints most SMEs are still very much connected to the large MNCs, which can be due to the unique competence they possess. Hence, unless they receive help in the form of information and advice by a specific arrangement of actors to cope with this situation, these SMEs will continuously be restrained for future development.

To finalize with the conclusions of the comparative analysis of both countries' SMEs, it can be argued that both British and Swedish SMEs are in need of large amounts of support for their local and international activities in the form of information and advice available through the Information provision service.

CHAPTER 5 – A DESCRIPTION OF EXPORT PROMOTION PROGRAMS (EPPs)

The fifth chapter of the thesis continues with the empirical part of the project. For this purpose, this chapter starts by making the reader acquainted with general knowledge regarding Export Promotion Programs of Great Britain and Sweden. Continuously, it presents a rich description of the Export Assistance Services including the Information provision service and the Network of Main Actors. Finally, the chapter includes a conclusion and a summary part, pointing to the best features of each EPP.

5.1. THE BRITISH EPP

Like for other countries, exporting is vital for the United Kingdom. Exports amount to some 30% of total wealth and are a major source of employment⁹⁶. So, the help and support for current and potential exporters is part of the main British Governmental program. The main high level objective of British export promotion lies in stimulating and enhancing the competitiveness of UK businesses, to contribute to national prosperity by improving overseas earnings, from the sale of goods and services, as well as the returns incurred on investments abroad⁹⁷. This main objective, therefore, presents rather a developmental character than just promotion of exports.

The leading governmental organization, behind international trade development and promotion is British Trade International (BTI). This institution outlines the support and development together with its partners in the governments of England, Scotland, Wales and Northern Ireland⁹⁸. For this, British resources are allocated against strategic objectives and reflected in British Trade International's annual Corporate Plan that sets specific targets for the forthcoming year⁹⁹.

⁹⁶ www.tradepartners.gov.uk

⁹⁷ Meeting with Ms. Lynnette Falk.

⁹⁸ British Trade International (March 2001).

⁹⁹ British Trade International (Nov. 2000).

BTI is the result body of the joint between the Department of Trade and Industry (DTI) and Foreign Commonwealth Office (FCO). For that reason, BTI's main objective also forms part of the objectives of both DTI and FCO¹⁰⁰.

Nevertheless, it is important to highlight that together with BTI, there are other governmental and non-governmental departments or actors involved in the British Export Promotion Program. For example, there is the Confederation of British Industry (CBI) and other trade associations, The British Council (BC), The British Chambers of Commerce (BCC), with another 65 chambers, The British Export Association (BEXA), among others. Specific information regarding these and other actors is presented in appendix 2.

Moreover, BTI's arrangement strengthens and better coordinates the relationship between trade, exports and imports, and investment activities in the British Central Government, Devolved Administrations, and Other Government Departments (OGDs), as well as with the other mentioned actors. Each of these main actors are represented on the Board of British Trade International¹⁰¹. Therefore, BTI's organization combines all trade development and promotion work, undertaken in the English Regions by international trade teams, working with the Regional Development Agencies (RDAs), and the Business Link network of the Small Business Service (SBS)¹⁰². In this manner, British Trade International drives new programs such as the Global Partnership Program that in conjunction with regional partners promote collaboration in Great Britain and overseas between UK firms and international partners¹⁰³.

The enlarged responsibilities of BTI also further strengthens the close relationship between trade and investment work in the network of commercial post overseas (e.g. over 223 embassies and other diplomatic posts), focusing them on economic advantage for the UK, whether through new opportunities for international trade or for investment in this country by overseas firms or partnerships¹⁰⁴. There is the intention for a resource shift to UK regions for operational purposes from London. Thus, direct contact between overseas posts

¹⁰⁰ British Trade International (Nov. 2000).

¹⁰¹ www.fco.gov.uk

¹⁰² British Trade International (March 2001).

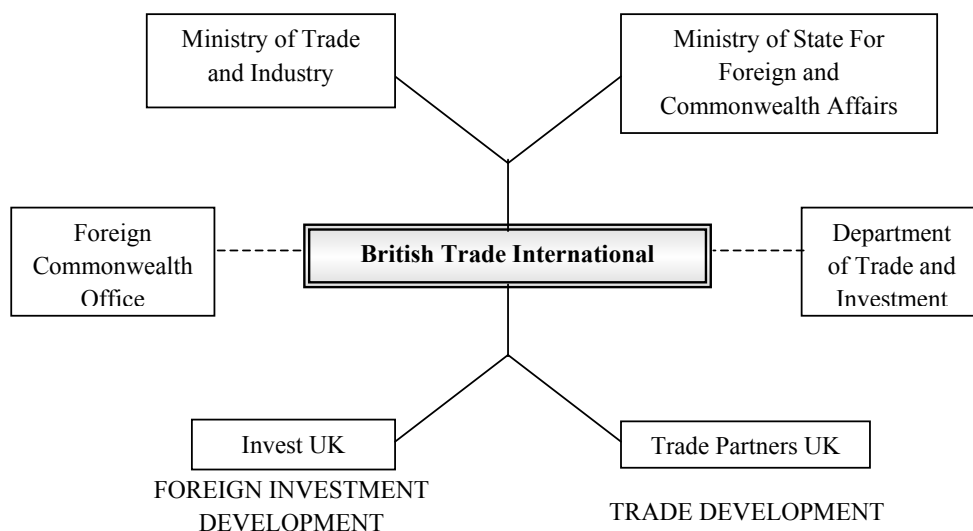
¹⁰³ The British Government (Feb. 2001).

¹⁰⁴ www.fco.gov.uk

and UK businesses wherever they are located, through the regional contacts, is enhanced providing faster speed to the global network¹⁰⁵.

Conclusively, working under one umbrella, BTI focuses on the broad spectrum of trade development and support at national, regional and local levels in opportunities for business. Nonetheless, it is important to highlight that the national mission to increase British business success overseas is realized through the operational arm, Trade Partners UK. BTI's other mission, investment into the UK from overseas, is realized through Invest UK¹⁰⁶. Both missions are reported to the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Trade and Industry¹⁰⁷. Moreover, we do not analyze Invest UK, as it is not under our main analysis purpose. Please see the next figure for the organizational constitution of BTI.

FIGURE 11: BTI's ORGANIZATIONAL CHART



Source: Own (2001).

Note: --- indirect relationship, — direct relationship

Specifically, BTI's key role in export development is in fostering British business success, helping SMEs and other firms, to prepare for international trade and the exposure it brings to the best knowledge and skills worldwide.

¹⁰⁵ Meeting with Ms. Lynnette Falk.

¹⁰⁶ www.fco.gov.uk

¹⁰⁷ British Trade International (March 2001).

For that BTI helps British business to prepare for the challenges of international trade and, through its worldwide network, provides the information, contacts and support, which the businesses needs¹⁰⁸.

Furthermore, for accomplishing this BTI has decided to improve its different assistance schemes and objectives, so that there is low confusion and inconsistency degree among them. For instance, BTI decided to change its market to sectoral focus for the export development worldwide. There were many inconsistencies created by this prior focus as assistance packages differed in quantity as well as in quality through markets or countries, depending on their commercial relevance. Thus, in refocusing the assistance target, BTI ensures that there will be a more focused set of opportunities by exploiting the area of activities where most British businesses excel¹⁰⁹.

Additionally, BTI has rethought on its impact performance measurement rational. By doing this BTI wants to ensure that for every pound spent on export assistance efforts, 95% of it is reflected on improved business performance. This rational constitutes BTI's measure of performance, so that the greatest the level of business performance from its customers, the greatest BTI's performance level¹¹⁰.

As per the priorities for the next forthcoming years, BTI is always pursuing for innovating its offerings and activities. In this way, for instance, it has already applied all the recommendations from the Wilson Review¹¹¹. Additionally, BTI is ready to launch a new trade development package for autumn of this year, a Pilot Expatriate Entrepreneurs scheme, Pilot Enterprise Scholarships as well as continuing with Global partnerships. This enhances BTI's intention to improve and better suit its services¹¹². Furthermore, other targets or general priorities for the next three years in export promotion for BTI are:

- To provide top class on-line trade information for all UK businesses,

¹⁰⁸ British Trade International (March 2001).

¹⁰⁹ Meeting with Ms. Lynnette Falk.

¹¹⁰ Ibid.

¹¹¹ In 1999 Sir Richard Wilson conducted a review of export promotion taking a comprehensive and detailed look at all aspects of trade promotion and development, with implementation of the recommendations due for completion by May 2001.

- Develop new exporters,
- Offer focused help for existing exporters,
- Exploit synergies between trade developments and inward investment, and
- To have all services at world class standards and to be benchmarked

As earlier mentioned in this section, Trade Partners UK (TPUK) is the unified brand or face of BTI for the export and international trade services provided to UK businesses wishing to define and develop business opportunities overseas¹¹³.

TPUK replaces the various promotional brands that have been used in the past and will make services clearer, more effective and easier to access. The aim is to encourage more firms, particularly SMEs to develop an international dimension to their business. This implies that TPUK will emphasize on issues leading towards competitiveness of SMEs by working in their innovation, growth pace and survival chances. In other words, BTI through TPUK will continue to provide support for those that are already successful outside the UK and it shall continuously seek out and help UK SMEs and other firms to develop new opportunities in overseas markets¹¹⁴.

Within TPUK's main objectives, it is noteworthy the following issues. TPUK is committed to provide UK firms with high quality, timely and accessible information to help them export and invest overseas; to help new, inexperienced and occasional exporters develop their potential export capability and as a result their competitiveness; to help firms experienced in exporting and investing abroad to exploit trade and investment opportunities overseas. In addition, TPUK is committed to provide more focused help in those markets and sectors, identified together with private sector experts, as having particularly strong potential for British business; to create a cohesive operation, involving other government departments, responsive to exporters, inward and outward investors, providing coordinated, cost-effective services to a consistent standard across BTI; and finally, to encourage all staff engaged in BTI to

¹¹² Meeting with John Hoogwood.

¹¹³ www.tradepartners.gov.uk

¹¹⁴ www.fco.gov.uk

achieve high standards of professionalism in services to British and overseas firms¹¹⁵.

5.1.1. EXPORT ASSISTANCE SERVICES

Many export assistance services are offered between the several actors in British Export Promotion to UK SMEs and other businesses willing or already internationalized. As previously identified in the delimitations part of the thesis' Research Problem, all of them are subdivided in three main service areas such as Information provision, Export consultancy, and development. Furthermore, as the main topic of this thesis is focused on the Information provision service, we cover only that area in detail in the next section. Despite of that, we now present some general aspects of all assistance services.

Most of the export assistance services are canalized or delivered by TPUK and, in some cases, created and coordinated between the other main actors. The most crucial offerings are constituted within government schemes. For example, there is the Export Communication Review and the Export Marketing Research schemes¹¹⁶. The Export Communications Review assists UK companies to tackle language and cultural barriers that a company doing business overseas will face. The Export Marketing Research helps and encourages British companies to undertake overseas marketing research prior to developing a strategy for market entry or further investment abroad. Some of these schemes are reviewed every year and others in a longer time frame.

Moreover, TPUK delivers links for all of the previous services via its www.tradepartners.gov.uk website and by market based staff. Hence, this website is the starting point and gateway contact center providing a single point of entry for customers seeking trade related help and advice. The electronic delivery of information and services is a key priority for the British Government. Hence, TPUK web page represents a clear step change in improving access for consumers, in this case UK firms.

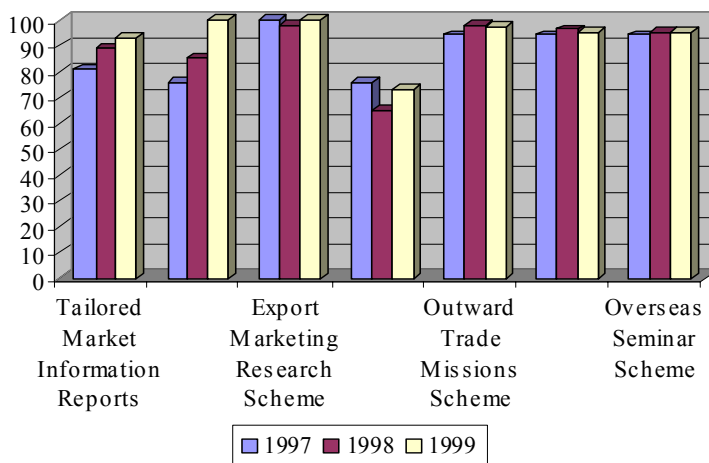
For all this, BTI has set challenging but realistic objectives and milestones regarding Export Promotion Services. BTI undertakes a regular and systematic

¹¹⁵ British Trade International (March 2001).

review of services in line with Government policy on Better Quality Services, and benchmarks all its services against those provided by other countries. TPUK participates in an informal networking and benchmarking group of European trade promotion bodies¹¹⁷.

Nevertheless, so far Trade Partners UK's performance and quality measurement system reports high levels of satisfaction with individual services. Please see the next figure.

FIGURE 12: CUSTOMER SATISFACTION RATINGS FOR SOME EXPORT SUPPORT SERVICES



Source: British Trade International (March 2001).

However, it is important to mention that TPUK is determined to better measure the impact of its services on customers' business performance and demonstrate how far it has achieved its goal of enhancing competitiveness¹¹⁸. In this way TPUK wants to ensure that not only their services are more effective and efficient, but also, the management of their delivery network in the UK and overseas¹¹⁹. The first review of these targets will take place in 2003-04 as part

¹¹⁶ Meeting with Ms. Isabel Baumber.

¹¹⁷ Meeting with Mr. Matthew Deith.

¹¹⁸ British Trade International (Nov. 2000).

¹¹⁹ Meeting with Mr. Matthew Deith.

of the development of new, wider-ranging performance monitoring procedures for Trade Partners UK ¹²⁰.

With respect to the mentioned benchmarking, this will be focused on TPUK service to customers ¹²¹. TPUK has established systems of customer satisfaction measurement in order to identify the clients' views about its services. Nevertheless, TPUK will check the compliance with global service standards, and provide training and support to ensure that all staff meets those standards ¹²². In this way it aims to increase the customer satisfaction too.

These priorities will be supported by an investment of £20 million over three years for improving its information and communications technology infrastructure with a view to providing high quality online access to all services for its customers and more effective support for the staff at home and overseas ¹²³.

5.1.1.1. The Information Provision Service

Export Information provision deals mostly, as part of the British EPP, with information and advice supplied to help UK SMEs and other companies seeking to export goods and services as well as investment possibilities abroad. This service is mostly free or low chargeable, as it constitutes a basic and mandatory governmental service to this country business environment ¹²⁴.

TPUK's motto is to: "*To provide firms with high quality, timely and accessible information to help them export and invest overseas*" in this matter. Moreover, TPUK claims that no one else in Britain matches the range and depth of knowledge it can offer about overseas markets, the opportunities they present and the right contacts to make ¹²⁵.

For this particular service, TPUK offers, through its Information Centre, access to latest information sources and data, which most UK firms, especially SMEs,

¹²⁰ British Trade International (Nov. 2000).

¹²¹ Department of Trade and Industry (Oct. 1999).

¹²² British Trade International (Nov. 2000).

¹²³ Ibid.

¹²⁴ Meeting with Mr. Peter Malcolm.

¹²⁵ Trade Partners UK (Feb. 2001).

would not otherwise be able to access. For example, the main topics available are; valuable contacts and sources of information, checklists and information for new exporters, information about countries and business sectors, answers to some of the most frequently asked questions, databases of exporting seminars, presentations and other coming events, new business opportunities (worldwide sales leads), other useful websites, and an online inquiry service¹²⁶. In this manner this institution enables them to exploit opportunities abroad successfully and effectively.¹²⁷

Furthermore, the other export promotion actors also provide information towards UK businesses. For instance, the BCC provides valuable sources, guides, and information packages as well as links to private consultancy firms. Nevertheless, since the BCC is part of the Export Marketing Research scheme from TPUK, this main British EPO ensures that all efforts are done in conjunction in order to gain from synergies as well as get rid of overlaps¹²⁸. Please refer to appendix 3 for a sample of TPUK information sets.

Some of the common activities within this service, provided by all actors are the research of new opportunities in markets overseas of specific sectors, the supply of business directories, statistical data market reports, country reports, and guides to do business. Moreover, a key characteristic of this service is that some of those other actors actually teach the companies how to create this service, so that they can conduct their export efforts by themselves. In other words, the system also provides a basic education to the firms to conduct and possibly render their own internationalization attempts¹²⁹.

In addition, TPUK offers through this service, specific value added advice. TPUK provides advice by BTI's Board and by a number of specialist advisory groups, which are already focused strategically on overseas markets and British business sectors. Hence, they advise on general markets, sectors, and regional priorities, followed by specific tariff rates and export regulations, among others¹³⁰. Furthermore, the other main actors also provide sectoral advice,

¹²⁶ Ibid.

¹²⁷ British Trade International (March 2001).

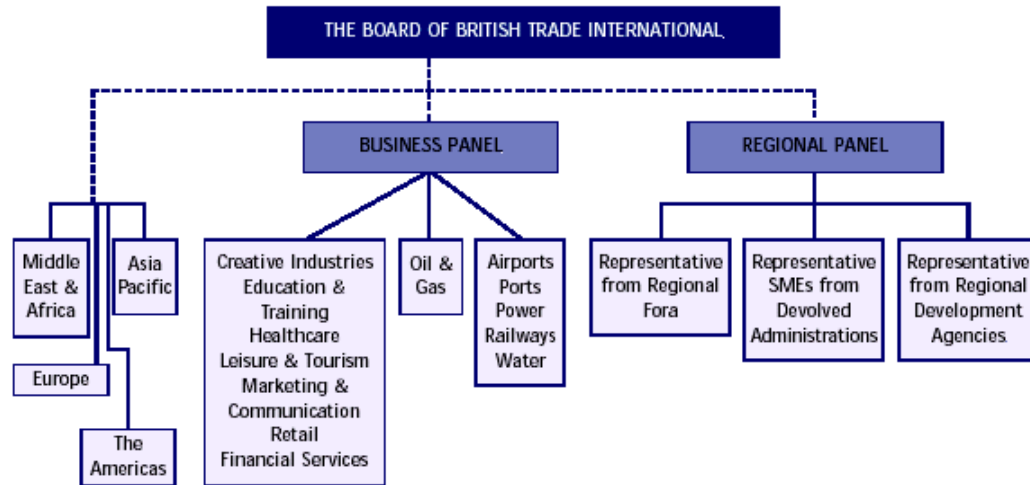
¹²⁸ Meeting with Ms. Isabel Baumber.

¹²⁹ Ibid.

¹³⁰ British Trade International (March 2001).

targeted on ensuring business sector coordination with OGDs, political and economic advice, lobbying and access to key contacts through the overseas network of FCO posts¹³¹. Please see the next figure for the Advisory Group Structure.

FIGURE 13: BTI's ADVISORY GROUP STRUCTURE



Source: British Trade International (March 2001).

Note: At the Board's core there are large geographical, and sector and regional advisory groups that look at developments across a broad geographical, sectoral or regional area.

Concerning the degree of verification and accuracy of the information and advice supplied, all actors update on a regular basis the information. TPUK and BCC for instance are in direct contact with overseas institutions, and actors. By doing this, they estimate to have updated information so that their obtained degree of customer satisfaction will be kept above good levels. TPUK even is starting to realize a follow up process in order to collect any direct results from the information provided¹³².

Nevertheless, one very crucial issue from this service is the issue that TPUK and the others want to eradicate or minimize the rate of failure cases. For that reason, all of them are jointly committed to supply, directly or indirectly, information and advice that even in the case of no market potential for a

¹³¹ Ibid.

¹³² Meeting with Ms. Karen Donegan.

company, it will advise the firm to focus in another market, sector or counterpart to internationalize¹³³. Hence, in this way the term failure cases will be eliminated.

Also a characteristic for the British Information provision service is the approach taken towards information management. Information management is needed to ensure operational efficiency and a high quality of service to customers. The information strategy used address what information is held and where, who controls it, how it is kept up-to-date, what is made public, how it is presented, whether it is charged for and if so how¹³⁴.

Nevertheless, in order to accomplish this service, the clear need is recognized for improved and common information systems to underpin the work of the trade promotion operation. All actors of the UK network (local, regional, and overseas), demand modern IT facilities. This in order to be part of a common network allowing exchange of electronic mail and sharing of information throughout the organization. Thus, information systems supporting the operation's business processes and information services are required to improve this service¹³⁵.

5.1.2. NETWORK OF MAIN ACTORS

Before engaging in the description and analysis of the British Network of Main Actors, it is important to mention that a very brief description of those main agents is made in appendix 2. This is done for the purpose of providing the reader some knowledge of who composes the structure of the British Export Promotion and Development.

5.1.2.1. The British National Network

Previously mentioned, BTI's organization brings together into one single management coordinative structure all British trade promotion and development operations that used to be fragmented in the past. Hence, together in partnership, BTI through TPUK includes now the export promotion from the DTI, the commercial work of the FCO's Diplomatic Posts around the world

¹³³ Meeting with Ms. Karen Donegan.

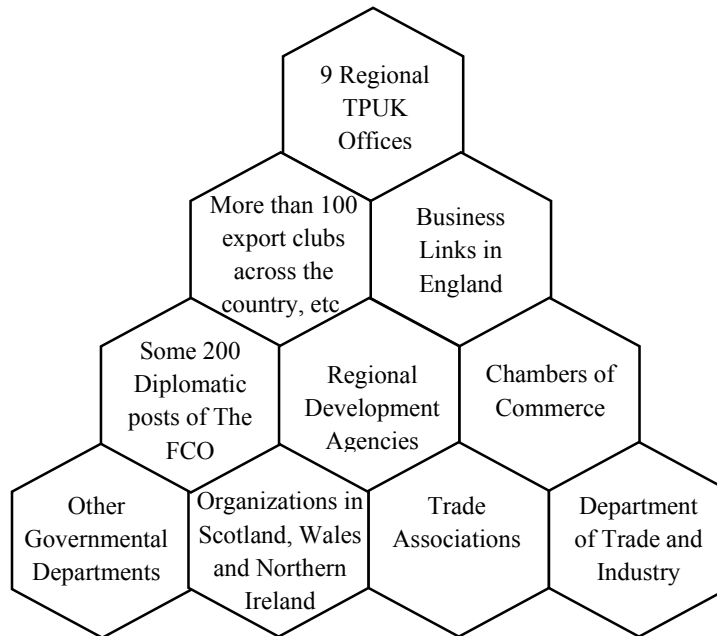
¹³⁴ Meeting with Ms. Karen Donegan.

¹³⁵ www.fco.gov.uk

(approx. 223), and the support from the Business Link partnership network in the English Regions¹³⁶.

Furthermore, TPUK’s operations for export development are also coordinated with the work of OGDs, the Administrations for Scotland, Wales and Northern Ireland, Regional Development Agencies (RDAs), 9 TPUK Regional Offices, Small Business Service (SBS), more than 100 chambers of commerce, trade associations, over 100 export clubs and other bodies¹³⁷. Mr. Clive Allcorn of TPUK argues that BTI’s organization represents a clear positive step change to achieve effectiveness towards export development undertaken by the British government¹³⁸. Please refer to the next figure for BTI’s partnership network.

FIGURE 14: BTI’S PARTNERSHIP NETWORK



Source: Own, 2001. Adapted from Trade Partners UK, Your guide to our services, February 2001

As can be perceived from the previous figure, there is a mixture of different types of actors in this partnership network, which work at different levels (e.g. at the regional and worldwide level). Thus, in order to present a clearer view of the whole structure and network of main actors, there is next in this section a subdivision, into two different ladders or levels (regional, and international).

¹³⁶ British Trade International (May 2000).

¹³⁷ www.fco.gov.uk

¹³⁸ Meeting with Mr. Clive Allcorn.

Each level presents special characteristics, crucial actors, roles and activities inapplicable in most of the cases to the other level. In this way a more detailed and explanatory way of understanding the whole British Network of Main Actors in export promotion is realized in the next section of this chapter.

Despite of that, BTI provides at a national level coordination across government departments, private, and other actors, as well as a voice within government for potential and already exporters and companies investing overseas. Trade Partners UK has contributed to the five yearly Review of ECGD to ensure UK exporters and investors are given full weight¹³⁹.

This tremendous knowledge-based network of resources and actors is available to work with UK businesses of any type in the development and implementation of their international trade strategies¹⁴⁰. Moreover, through the introduction of the new brand, TPUK, BTI aims to increase the essential clarity needed in undertaking the full range of export promotion and development services so that every British firm will be absolutely clear about what types of assistance are available and how to obtain them¹⁴¹.

BTI's Advisory Group shown in figure 16, further coordinates the support for exporters, ensuring that all interested parts of government work together¹⁴². Moreover, the business sectors are also represented on the sectors and projects group, which reports directly to the British Trade International Board. The group advises on issues that reflect the needs and strengths of the industrial sectors. Each industrial sector is encouraged to develop a sector export strategy by the Group and for this Trade Partners UK works closely with industry and the relevant Whitehall department, to agree how strategic goals should be implemented, for example by electing events to support or by devising promotional initiatives¹⁴³.

Nevertheless, despite this new arrangement there is still a confusing diversity of structures, which must bring the views, and contribution of the business

¹³⁹ British Trade International (March 2001).

¹⁴⁰ Meeting with Mr. Clive Allcorn.

¹⁴¹ British Trade International (May 2000).

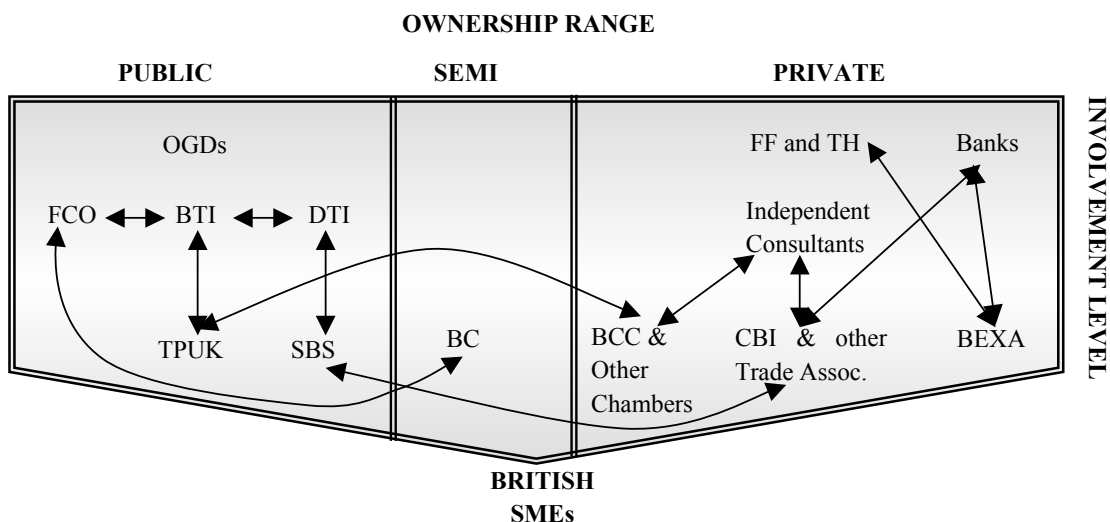
¹⁴² British Trade International (March 2001).

¹⁴³ Ibid.

community to local economic development activity¹⁴⁴. This problem mostly focuses on private actors of the network.

The Chambers of Commerce, Trade Associations, among others, possess their own set of strengths and expertise. They together brand and deliver their business support services through the Business Links creating in some cases overlaps of some functions and activities¹⁴⁵. However, these problems arise as these actors' managements focus these organizations, towards their specific interests and customers. So their services tend to be in some cases less coherent to the national network. Nevertheless, as it can be seen in the next figure, each actor, disregarding its sector, has different connections with the other actors.

FIGURE 15: NATIONAL EXPORT PROMOTION NETWORK



Source: Own (2001).

For instance, SBS has a strong links with DTI and CBI, as these last ones provide with valuable information such as policy advice to the UK government. Independent consultants are in some cases linked to the BCC and other chambers of commerce through outsourcing. Moreover, as previously mentioned the BCC is directly connected with TPUK in Information provision. CBI and other trade associations also subcontract the consultants' services in some cases but it has strong linkages with the SBS. Moreover a key actor of

¹⁴⁴ Meeting with Ms. Isabel Baumber.

¹⁴⁵ www.britishchambers.org.uk

this network is also the British Council as it is the main link to cultural and educational promotion. Hence, even the academic area of the UK is present in this Network of main actors for exporting and Information provision. The other relations are presented in the description of the main actors in appendix 2.

5.1.2.2. Regional Network

This level is the lower base ground where there are typically thousands of UK businesses (e.g. SMEs) in the various local communities, varying enormously in size, sector, market orientation, aspiration, and potential for growth. On one hand, the capacity of individual UK businesses to take views on the full range of economic development issues, and communicate them effectively, is extremely limited¹⁴⁶. On the other hand, there is now recognition that business issues such as growth and competitiveness, planning and business environment development, skills and social inclusion are all inter-related and need to be addressed through an integrated strategy. Consequently, the impact those business can have locally and abroad is, therefore, dependent on the extent to which there is a sustainable and effective structure through which their collective views can be collected, communicated, and transformed into high quality support services that genuinely add value to their creation, survival, and growth¹⁴⁷.

British Trade International's regional network is an organization that works in partnership between public, semi and private actors to deliver services at regional and local levels in the UK¹⁴⁸. The regional network in England is an integral part of the British EPP with direct management, reporting and resourcing to BTI's chief executive, Sir David Wright, through the Regional Group operations director, Mr. Ian Jones, in the chief executive's management team¹⁴⁹.

The Regional Group is responsible for the operation and overall performance of the regional network. This involves a close coordination with the national representatives of local networks, such as the British Chambers of Commerce,

¹⁴⁶ Meeting with Ms. Isabel Baumber.

¹⁴⁷ British Trade International (May 2000).

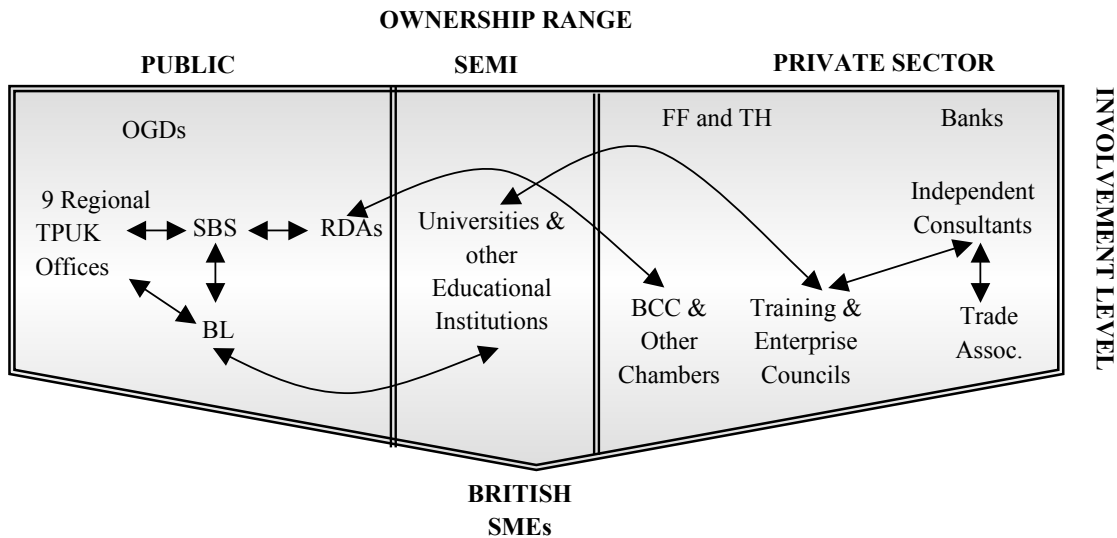
¹⁴⁸ Ibid.

¹⁴⁹ Meeting with Mr. Clive Allcorn.

Trade Associations, the Training and Enterprise Councils, as well as other Government Departments, etc. with an interest in the regional and local provision of Government services to business¹⁵⁰. Please see the next figure for the Regional Export Promotion Network.

Furthermore, both UK businesses and government are increasingly scrutinizing and optimizing the value of a regional network that possesses a multiplicity of organizations, which will undertake most if not all of the mentioned issues¹⁵¹.

FIGURE 16: REGIONAL EXPORT PROMOTION NETWORK



Source: Own (2001).

As seen from the previous figure, there are 9 Regional TPUK Offices throughout England (East of England, East Midlands, North East, North West, London, South East, South West, West Midlands and Yorkshire and the Humber) each wrapping one area of the Regional Development Agencies (RDAs) and each led by a regional director.

These 9 Offices are mainly responsible for implementing the national trade development strategy at a regional level as they count with Export Development Counselors and Overseas Trade Services secondees; this constitutes the link with the UK overseas posts. This strategy of course, iterates

¹⁵⁰ www.fco.gov.uk

¹⁵¹ www.britishchambers.org.uk

a regional contribution to the national strategy in the light of the Regional Development Agencies' priorities and the needs of local business, and for working within their regions with local partners¹⁵².

Moreover, these 9 regional trade development offices are located in most of the cases within the existing Government Offices for the regions, Business Link. This means that there is a regional staff, which has a strongly operational role in assisting firms larger than the main Business Link customer base to develop their export and outward investment potential¹⁵³. Moreover, it is also important to highlight that the work of this particular operation is strongly focused on the development of the capabilities of British SMEs at local level and of larger firms at regional level. Together with the RDAs they are part of the unified public operation at the regional level.

It is worth to highlight that each Business Link is part of the Small Business Services, and offer general support and advice to British businesses such practical guidance, like helping in drawing up a business plan or cash flow forecast¹⁵⁴. Consequently, within some English regions, where the 9 Offices are not located, the Business Links continue to be the providers of export trade development services at the regional level. Inclusively, the Business Links are the main actors, which coordinate activities with EU bodies and regulation¹⁵⁵.

Despite of all that, at the regional level there are also other actors present in trade development. For instance, there are the educational institutions, which are linked through the Business Links to the regional network. These institutions provide educational and academic resources needed for export development. For instance, they constitute training resources for the companies through Training and Enterprise Councils as well as research centers for the operation.

Additionally, there are the British Chambers of Commerce and other Chambers, which have link to the RDAs and provide that valuable link to the

¹⁵² www.fco.gov.uk

¹⁵³ Meeting with Mr. Clive Allcorn.

¹⁵⁴ Meeting with Mr. Terry Noade.

¹⁵⁵ Ibid.

operation as well. Trade Associations, on the other hand, as private actors they are also present and despite their more special role they provide a great value to the network as informally they are linked to the public sector. A good example of this is CBI. Also on some special occasions these private entities depending on their possibilities they subcontract independent consultants to realize some tasks.

Some Freight Forwarders and Trade Houses and Banks are also present and they also play an important role in the regional network since they provide assistance in some cases with their related activities to the UK firms. But, DTI is strongly working to improve and take over these actors' activities¹⁵⁶.

5.1.2.3. International Network

The British network of main actors international comprehends on one hand of a number of coordinated posts in British Embassies and High Commissions overseas¹⁵⁷. From those there is a special focus on a small number of markets, 14, where government support is likely to make the most difference by being a continental home base. These markets are China, Hungary, Turkey, Poland, Western Europe, Czech Republic, Mexico, Brazil, Taiwan, Japan, South Africa, Egypt, India, and North America¹⁵⁸.

Ambassadors or high commissioners for British Business are appointed from the highest levels of industry and commerce. In each market they should be responsible for the delivery of the performance of his or her post against the strategy and objectives of the BTI and FCO¹⁵⁹. They in coordination with their respective Commercial Sections will be the promoters and developers of UK business abroad as part of their ongoing overseas activities¹⁶⁰. But, these posts are dependent on BTI's chief executive who is able to make in-year changes to the deployment of resources overseas¹⁶¹.

¹⁵⁶ Meeting with Mr. Clive Allcorn.

¹⁵⁷ British Trade International (May 2000).

¹⁵⁸ Meeting with Mr. Clive Allcorn.

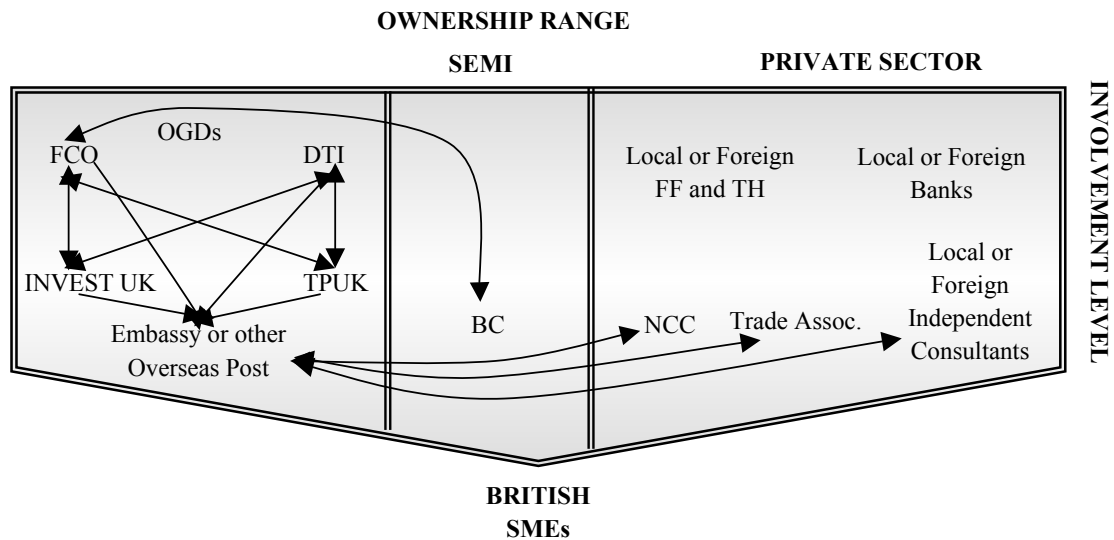
¹⁵⁹ www.fco.gov.uk

¹⁶⁰ British Trade International (May 2000).

¹⁶¹ www.fco.gov.uk

On the other hand, National Chambers of Commerce and some Trade Associations have also facilities abroad (e.g. CBI in Brussels) increasing the number of UK actors promoting and developing UK businesses worldwide¹⁶². Furthermore, their activities are not that coherent neither that coordinated with the UK international network. It is argued that they present an ad hoc system of export promotion. This can be explained as their companies or members mandate them regarding how and what to obtain¹⁶³. Please see the next figure depicting all actors, which compose the British International Network.

FIGURE 17: INTERNATIONAL EXPORT PROMOTION NETWORK



Source: Own (2001).

As it can be observed, there are other actors composing the international network and all of them vary from ownership range, public, semi to private, to the degree of involvement. The Embassies or other Overseas Post are the major players and they are directly dependent on TPUK and Invest UK, which also are dependent on DTI and FCO. Certainly there are other governmental departments (OGDs) involved in this particular network, but of a lower degree of involvement activities (e.g. Ministry of Finance in specific tenders).

¹⁶² Meeting with Mr. Peter Malcolm.

¹⁶³ Meeting with Mr. Clive Allcorn.

Additionally, there is the British Council, which is mostly directed to promote activities and services related to the cultural and educational development of Britain. Moreover, it is also dependent on FCO as that institution is partly public funded. Finally, there are local or foreign independent consultants, which are hired to conduct special task the embassies cannot handle. Following them, local and Foreign Freight Forwarders and Trade Houses as well as Banks are also part of this network dealing with specific activities related to them.

The main challenge during the last years has been to focus on a unified market strategy and in developing joint objectives and targets by the network of main actors worldwide. These objectives and targets are mostly focused on overseas posts and teams, but also apply to the other UK actors. Targets covering services to British business by this network are to respond promptly and qualitatively to inquiries, provide sales leads, and more than satisfactory services to companies on outward trade missions and at trade fairs and exhibitions. Nevertheless, it is important to mention that these objectives and targets differ from post to post reflecting the differences in the market¹⁶⁴.

Despite of that more effective communication within the operation and better marshalling of information should allow many of the low value chargeable and non-chargeable enquiries which currently take up much of the time of posts to be dealt with domestically, freeing up capacity overseas to deal with work of greater value to individual customers with greater impact upon the objectives of the overall operation¹⁶⁵.

There is a special governmental Program created with its main objective to ensure that there is an accomplishment of the related objectives and targets as well as to ensure that the overseas posts and teams are suitably resourced and properly managed and deployed¹⁶⁶.

During this year, overseas teams produced approximately 3,500 Tailored Market Information reports at the request of different British enterprises. They also had meetings with more than 16,500 British Business Visitors during

¹⁶⁴ British Trade International (Nov 2000).

¹⁶⁵ www.fco.gov.uk

¹⁶⁶ Ibid.

which they advised on market conditions and specific opportunities and where appropriate follow-up with relevant lobbying of local contacts¹⁶⁷. For these tasks British overseas posts have British as well as local consultants who deliver the services. In some cases and depending on the degree of difficulty of the requested services some local or foreign independent consultants are hired.

For companies pursuing major projects, the role of the overseas teams can be critical. They are well placed to advise on local political and economic issues and keep firms informed about developments in the market both before and during the bidding stage. They also highlight the strengths of the British bidder¹⁶⁸.

Nevertheless, BTI is producing a best practice manual for overseas posts designed to raise the performance of the average post, which will be in place by the start of 2001-02. Performance is monitored and annual assessments are being prepared to identify areas of strength and weakness. Customer satisfaction targets are a key overall performance indicator¹⁶⁹.

5.2. THE SWEDISH EPP

A high degree of economic exchange with rest of the world is crucial for the prosperity of Sweden. The welfare existence in Sweden can be ascribed to many years of successful international trade¹⁷⁰. This makes exporting an engine of development and change for Sweden. Furthermore, Swedish SMEs are the backbone for the economy and have many problems and constraints¹⁷¹. In the light of this, the Swedish government offers assistance through various actors for these and other companies in their internationalization process.

The Ministry of Trade, which is under the Swedish Ministry for Foreign Affairs, has the overall responsibility for international trade and investment. However, the bodies dealing with international trade and investment have been divided in two, the Swedish Trade Council (STC) and Invest in Sweden

¹⁶⁷ British Trade International (Nov 2000).

¹⁶⁸ www.fco.gov.uk

¹⁶⁹ British Trade International (Nov 2000).

¹⁷⁰ SOU 2000:102 (2000).

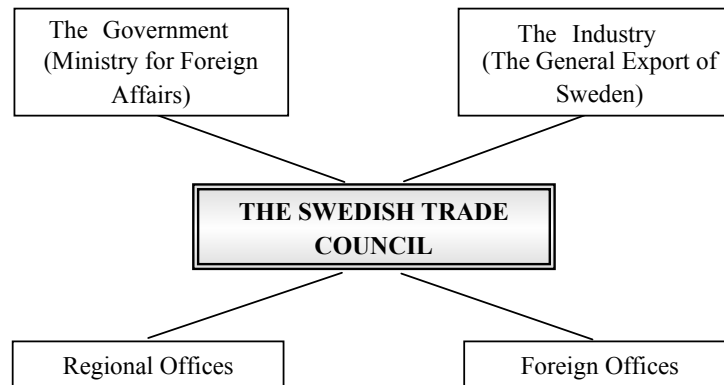
¹⁷¹ Meeting with Mikael Lindström.

Agency (ISA). Moreover, since ISA does not deal with exports there is no further analyze of it.

Nevertheless, it is important to highlight that there are other actors, which also have a role in export promotion towards Swedish SMEs. These actors can be of both private and public, for example ALMI and NUTEK (under the Ministry of Industry, Employment and Communications), the Federation of Private Enterprises, the Swedish Chamber of Commerce, Confederation of Swedish Enterprise, etc.

The Swedish government, represented by the Foreign Office, and the private industry, represented by The General Export Association of Sweden jointly own the STC.¹⁷² This ownership structure is based on an agreement made between the two parties originally in 1972, when STC was established. Please see the next figure.

FIGURE 18: AGREEMENT OF THE SWEDISH TRADE COUNCIL



Source: Own (2001), adapted from SOU 2000:102 (2000).

The background to this structure is that different actors without any organizational connection conducted export promotion activities during the 60s. So, resources were not allocated in the most appropriate way leading to much inefficiency in the export matter. Since then, there have been some changes to the original agreement, the latest in 1998, but the main objective is the same as from the beginning “*the objective of the council is to initiate, plan,*

¹⁷² Swedish Trade Council, Annual Report 2000.

coordinate, market and execute tasks to promote Swedish Export and internationalization in conjunction with export”.¹⁷³

One of the most important changes (prop. 1991/92:108) for the STC's arrangement, led to a decrease in almost half of the government fundings to this main actor. So nowadays, Swedish companies are mostly responsible for a larger part of the financing of their internationalization efforts. The rationale for this decrease was to cope with the crisis at the end of the 80s in Sweden leading to the restriction or decrease of governmental funding into areas, which were not secured to provide higher rates of benefits to the national economy.¹⁷⁴

The ownership structure of the agreement of the STC is seen to be the most appropriate one, because the government and the public sectors have a mutual space to conduct their activities concerning Export Promotion. By having the private side as a part of STC, there is a higher probability that the offerings made by this main actor will be more directed to the actual needs of the assisted companies.

However, when it comes to the legal aspects of the STC, there is a blurry definition of what it is. STC is not regarded as a legal entity in a way that is it a company, neither it is an association or foundation. The STC is practically only an agreement between the private and the public side. Therefore, it also falls outside the regular taxation Swedish system that exists for companies. This means that it has an advantage over their private counterparts (or competitors), which are usually private consultancy firms. The private consultants are directed under the Swedish company law, and therefore they have to pay tax according to that system (e.g. VAT, tax on profits etc.).¹⁷⁵ Moreover, this also presents some disadvantages for STC. Its role compared to other actors when it comes to who has the authority over whom, can be of a negative connotation for the STC. Moreover, this seems not to have caused any problems since the government has authorized STC in certain areas (prop. 1979/80:16).¹⁷⁶

¹⁷³ SOU 2000:102 (2000) p. 58.

¹⁷⁴ SOU 2000:102 (2000).

¹⁷⁵ Meeting with Mikael Lindström.

¹⁷⁶ SOU 2000:102 (2000)

Although, the way of how STC is regarded in a legal way, is in the process of being examined and most likely being changed in the future.

The Swedish Trade Council's work can be divided up into different levels, regional, national and international. In total there are currently around 430 employees in the Trade Council and 270 of them work abroad in the different offices operating in 50 places in 40 countries. In general there are 5-30 workers per office depending on the relevance of the market they are located¹⁷⁷. On the regional level, STC has currently 11 offices. These offices mainly assist SMEs under an operation called Export Development. In cooperation with Almi and in most cases, the local Chambers of Commerce, 20 ExportCentrum all around Sweden have been established. The intention of this was to bring together the different actors providing assistance towards the SMEs into one single administration.

The Swedish government sets the policy to the general export promotion activities of the STC and other public actors in their daily work. This does not mean that the government directly interferes with every activity in this field, but that it sets the overall guidelines for the objectives of the activities. This is only true for the part where the government provides support in form of either directly funding the activity (e.g. the general information provided by STC) or partly subsidized (e.g. export development programs provided by STC). A description of these and other programs will be presented later in this chapter.

Furthermore, the Ministry for Foreign Affairs established in 1997-98 Special Trade and Industry Promoters as a result of the government's overall aim of enhancing growth and employment. These "promoters" work in close cooperation with both private actors (e.g. Sweden's export industries, consultants etc.) as well as public actors (STC, ISA, the Swedish International Development Cooperation Agency (SIDA), the Swedish Institute (SI) etc.). *"The overall objective is to promote trade and economic exchange in a broad sense between Sweden and other countries, within the framework of the combined efforts to promote Sweden which involve a number of different areas*

¹⁷⁷ Meeting with Mikael Lindström.

*such as export, investment, tourism and cultural, educational and research exchange.*¹⁷⁸

The overall promotion of the country increases the general knowledge about Sweden abroad and Sweden is perceived in a more unified way. This helps STC in their work of assisting Swedish SMEs going abroad in the sense that it is easier for a company to be successful in a country when the actors are familiar with the company's origin¹⁷⁹.

The Swedish Trade Councils' goal is to make it easier for Swedish companies when making business abroad. This has been the case during all the years the Trade Council has been active. The Trade Council offices abroad received more than 60,000 requests, and in Sweden, almost 32,000 requests were undertaken¹⁸⁰. In other words, the Trade Council is involved in approx. 90,000 requests from Swedish companies of different size, but mostly SMEs¹⁸¹. There has previously been a re-organization in the Swedish Trade Council's business towards a clearer focus of SMEs. This involves the creation of services as fair programs, education and special programs for small companies¹⁸².

Finally, the Swedish Trade Council's operations nowadays are more and more about strategic questions, such as international investments, moving vital functions abroad etc., that companies face and they have to continuously reconsider their way to work on international markets. This is due to the fact that it is becoming more and more clear that international trade is no longer the same as exporting.

5.2.1. EXPORT ASSISTANCE SERVICES

An interesting remark is that the name, Swedish Trade Council, in Swedish does not really cover what the STC real activities are. The activities realized by STC are only covering the area of exporting assistance and do not have anything to do with any import assistance services. In this sense, by literally

¹⁷⁸ www.framjare.ud.se/framjare/_english/index.htm

¹⁷⁹ Meeting with Thomas Carlhed.

¹⁸⁰ www.swedishtrade.se

¹⁸¹ Meeting with Mikael Lindström.

¹⁸² Swedish Trade Council, Annual Report 2000.

translating the Swedish name, Exportrådet, into English, Export Council, it better shows what its activities really are¹⁸³.

Furthermore, as previously mentioned, other actors both private (chamber of commerce, etc.) and public (ALMI, NUTEK, etc) also provide assistance to Swedish SMEs in going abroad. When some of these actors are coordinated in providing any type of export assistance services, they do so through the Exportcentrum. Exportcentrum is a virtual place at the regional level, which merely brings together the different actors and does not provide with any service at all.

When it comes to evaluating the performance level of the Swedish Trade Council with regard to its services rendered, there is a key characteristic present in it. The STC has as a clear objective the measurement or evaluation of each project that STC is involved in. This excludes the measurement of each branch office performance. By doing this, the STC attempts to improve the standard of its assistance services, not on a branch office level, but rather on an individual project level. The STC estimates that this is a good performance measure, because each evaluation directly points out what was good as well as what could have been better done, eventually leading to the development of the whole organization.

Furthermore, the results presented in a Swedish government inquiry about the export-supporting activities executed through the Swedish Trade Council, showed that in general all types of Swedish companies, and from different parts of the country, are satisfied with the STC services¹⁸⁴. Nevertheless, it is crucial to remark that the investigation showed that Swedish SMEs were not as pleased with the Export Program in comparison with the other interviewed companies. In addition, the study showed that near 60% of all Swedish SMEs have already been in contact with the STC. That figure is said to be rather good, but at the same time, it can be estimated that there is still more than 40% of those

¹⁸³ Meeting with Thomas Carlsson.

¹⁸⁴ The results presented in the inquiry were gathered from different Swedish companies already exporting and with a turn over of minimum 1 million SEK.

companies, that do not have had any contact or support by the government at all¹⁸⁵.

Finally, as identified in the British EPP case, various and different types of services offered by the STC are comprehended within three main assistance areas, Export Information provision, Consultancy and Development. Next we present only the Information provision, as it is the thesis focus.

5.2.1.1. The Information Provision Service

The idea behind the Export Information provision service is to provide fast and free of charge information and advice about export issues and opportunities, mainly to Swedish companies as well as private persons such as students.

The STC is the main provider of this service, even if other actors also provide information and advice for exporting as well. However, these actors (e.g. ALMI, NUTEK, and Chamber of Commerce, etc.) mainly provide with this service in a more restricted nature, and usually, they refer to the Swedish Trade Council, as an important source for gathering information¹⁸⁶.

Approx. 100,000 requests concerning the service of Information provision are handled each year, many from foreign companies seeking Swedish suppliers. This makes the company-matching role an important part of their work and it aims at increasing the amount of business opportunities for Swedish companies.

The Infocenter of the STC, which cooperates with the other actors, provides the service of Export Information provision in an efficient way¹⁸⁷. Any requests in this matter go directly to the personnel working in this part of the STC, or redirected to the foreign offices to the accomplishment of this request. Moreover, the communications between the assisted companies and the Infocenter are either conducted through telephone, e-mail or a web form located at the STC's website (www.swedishtrade.se), which automatically forwards the requests to this actor. At the website, it is possible to go directly to

¹⁸⁵ SOU 2000:102 (2000).

¹⁸⁶ SOU 2000:102 (2000).

¹⁸⁷ www.swedishtrade.se

different subcategories, where information is briefly presented regarding the specific issue. These categories cover areas such as Line of business, companies and products; Payment and financing; EU; Export law; Trade document; Barriers of trade; Information about solvency; Courses; Countries and markets, Market overview; VAT; Product requirements; Project service; Statistics; Customs procedure in Sweden; Customs, taxes and other import fees.¹⁸⁸

However, information there presented is of a general nature including pure facts and advice up to more practical guidance about exporting. To do this, lots of information is gathered from a vast number of different sources. The intention is to provide a service that makes it easier for the assistance seeking companies to have access to information relevant for an initial stage in companies' quest for seeking new markets abroad.¹⁸⁹ This service is mainly funded by the government (93% of the total grant from the government), but also to some degree by membership fees, as a way to enhance the possibility for companies to go abroad.

This type of assistance is claimed by the STC to be demand driven as it waits for the companies to get to it, however, in some cases this assistance is proactive as the STC approaches companies which could be potential or just interested in information about export opportunities. For instance this proactive way is realized, as the STC approaches Swedish companies attending different fairs or conferences¹⁹⁰.

The staff of InfoCenter updates the information regularly. For example, the Countries and markets, and Market overview reports are updated through the monthly reports every embassy sends back to Sweden where general information about the specific country is presented. Furthermore, this kind of information, about certain markets, is also gathered through STC's various foreign offices.¹⁹¹

¹⁸⁸ www.swedishtrade.se

¹⁸⁹ Meeting with Yvonne Brycker.

¹⁹⁰ SOU 2000:102 (2000).

¹⁹¹ Meeting with Yvonne Brycker.

Finally, it is important to mention that in the guidelines for the export consultancy service, it is stated that the Export Information can be regarded as a gateway for getting consultancy assignments¹⁹². In this matter, the level of advice provided by the Swedish EPP regarding advice in the Information provision service is very limited, leaving the core of it to the Export Consultancy and Development services.

5.2.2. NETWORK OF MAIN ACTORS

This section has the purpose to describe the arrangement of the Swedish main actors in export promotion activities such as in Information provision. In order to do this, we have ascribed the network by dividing it, as in the British case, into three different levels national, regional and international.

5.2.2.1. The Swedish National Network

As previously mentioned, the Swedish Trade Council is the official export promotion body with the main aim to assist Swedish SMEs to become successful exporters. However, despite of the presence of the STC, there are other actors involved in export promotion. Some of these other important actors are briefly described in appendix 4. To some extent this mixture or conglomerate of actors is seen as something positive, since different actors can provide a wider range of assistance, but sometimes also as negative, since they can lead to overlaps or other Network inefficiencies.

All the different Swedish actors at the national level are to some extent coordinated, mainly officially through the STC. However, to what degree the coordination occurs differs according to the characteristics of the other actors. The STC acts as the main link between the actors involved in the regional level and in the international level. For that reason, this semi public actor is the major actor at the national level. Furthermore, its characteristic of being partly owned by the government (gives them the knowledge about the governments intentions) as well as partly owned by the private side (gives them knowledge about the demand side of export promotion) makes it the most appropriate actor for this coordinator role.

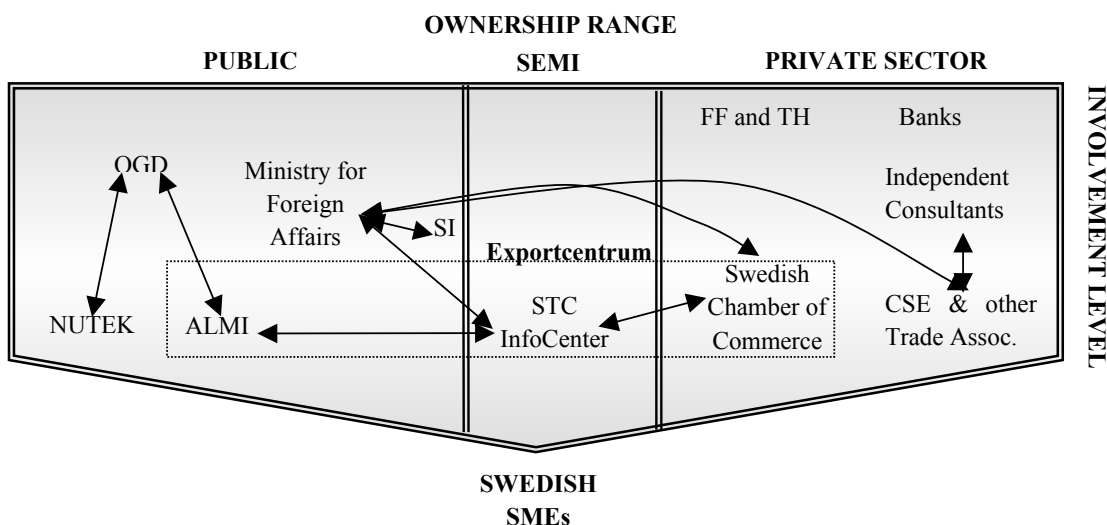
¹⁹² SOU 2000:102 (2000).

One reason to coordinate export promotion activities by the different actors is to make it easier for the SMEs when they seek assistance to go abroad such as in Information provision. Therefore, a virtual meeting place, Exportcentrum, has been established. This meeting place is a cooperation between STC, ALMI, and in most of the places also Chamber of Commerce. In some Exportcentrums also other actors are involved¹⁹³. Furthermore, as mentioned earlier the Swedish Trade Council's main activity arm in the Information provision is the InfoCenter. Thus, the services provided by the InfoCenter are coordinated and managed centrally at STC's headquarter in Stockholm and have also a close cooperation with the Exportcentrum all around in the different regions.

The value of the InfoCenter to the national network can be described as the following. First, the information it provides is gathered through a variety of different sources, where one of the main sources of information are the offices abroad. This network of foreign offices is a major advantage the Swedish Trade Council has, compared to other actors when it comes to having access to valuable market based information, etc. Second, all this knowledge is offered thanks to a high level of IT in a very accessible way for any Swedish company willing or already exporting.

Nonetheless, the next figure illustrates the presence of the mentioned and other main actors involved in export promotion in Sweden at the national level. One of the main public actors is the Ministry for Foreign Affairs. Its main activity is to set the overall guidelines for making export promotion policy for the public and semi-public actors, but also to some extent for the actors from private sector. Furthermore, as part of the Other Governmental Departments (OGDs), there is the presence of the Ministry of Industry, Employment and Communications, as it promotes industrial development for Sweden. Moreover, actors such as NUTEK and ALMI also fall under this activity. They have to some degree also a role when it comes to the development of possibilities and assistance of companies in export promotion.

¹⁹³ www.exportcentrum.org.

FIGURE 19: NATIONAL EXPORT PROMOTION NETWORK

Source: Own (2001).

Among the private actors, the most important private one is the Swedish Chamber of Commerce, which has a close natural bound with the companies in need of assistance. Different Chambers of Commerce are part of the Swedish Chamber of Commerce, which directly cooperates with the STC, both within Sweden as well as abroad. However, this cooperation varies to some degree between the different Chambers of Commerce. Some of them have a very close cooperation and others do not. Nevertheless, most of the activities within Sweden are organized and coordinated with the other actors in the above-mentioned Exportcentrum.

Other actors, such as Swedish Institute (SI), consultants, banks, etc. have a role in the network as well, even if their activities cover a smaller portion of the whole export promotion. In particular the SI provides with the general promotion of the country, the private consultants provide assistance in certain markets and/or sectors, and banks, which often already have an established contact with SMEs.

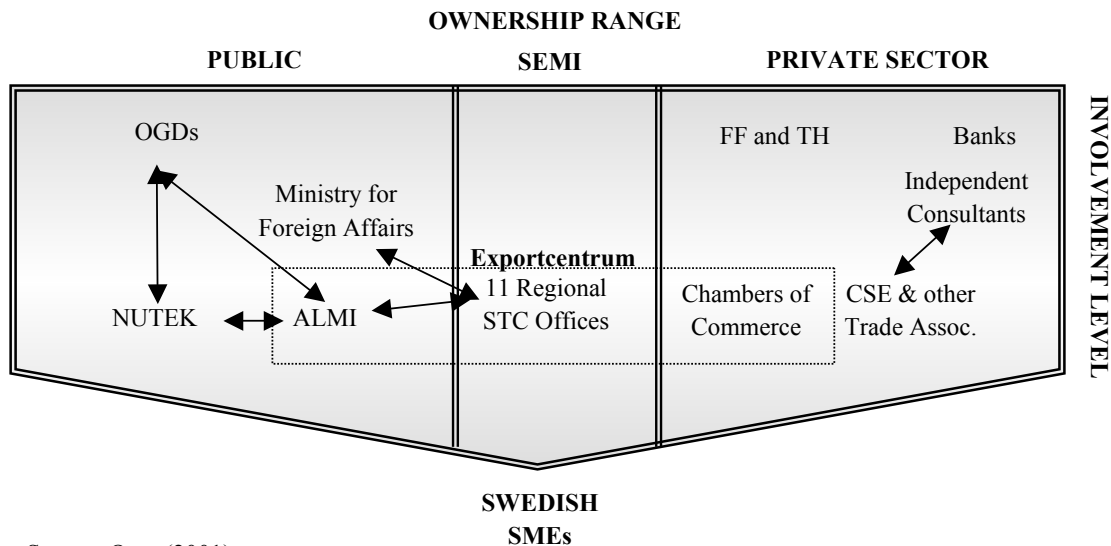
Finally, it is important to mention the presence of the National Board of Trade, which acts as the main investigation and advisory body for the Ministry for Foreign Affairs in Export Promotion. Moreover, since its presence is only related to the policy-making we do not include it in the national mapping.

5.2.2.2. Regional Network

According to the minister responsible for the regional politics, there are imbalances between the different regions in Sweden in general matters. Some regions experience positive growth, and others do not. Hence, the Swedish government has created a new and stronger policy for growth and vitality for all Swedish regions¹⁹⁴. Support programs offer Swedish SMEs and other companies assistance, to make the regions stronger and more developed. Furthermore, this is also true as regards assisting companies in their internationalization intentions.

Moreover, as in the previous section there are a number of different actors, which have a certain role to play Export Promotion at this level. These actors are presented in the next figure followed by a description of their function within the network.

FIGURE 20: REGIONAL EXPORT PROMOTION NETWORK



Source: Own (2001).

Starting from the public side, one of the main actors responsible for providing the best possible platform for companies at the regional level is NUTEK. NUTEK’s role is clear and sanctioned by the government, in areas which are important for the general economic growth for Sweden. These areas are to

¹⁹⁴www.regeringen.se

promote good entrepreneurship, dynamic innovation system, knowledgeable people, and strong regions¹⁹⁵. Hence, among other things, it works mainly with broad issues such as regional development, especially growth agreements and structural funds operations, as well as developing methods for an effective local and regional industry development.

Furthermore, NUTEK also aims at helping SMEs internationalize by providing key information, advice and financing when the regular market actors fail to provide these services.¹⁹⁶ In addition to this, NUTEK also has a more operational task, specifically when it comes to EUs SME program. The main purpose of this program is to provide the SMEs with easily accessible information, stimulate the cooperation between companies from different countries etc. The information about the opportunities the EU market provides is available at Euro Info Center. This service is a EU initiative comprising approx. 250 offices located around Europe, where NUTEK is the coordinator for the Swedish ones. In Sweden, there are 20 offices, and each of them have their own website where information about local activities, projects etc. are presented.

Moreover, another actor supporting Swedish SMEs in their internationalization efforts is the Exportcentrum, which includes and coordinates different actors such as ALMI, STC, and the Chambers of Commerce at the regional level. The Exportcentrum is a virtual organization where the knowledge from the different actors is gathered in order to guide the SMEs into the export promotion system at a regional level. Therefore, the main aim of Exportcentrum is to provide the SMEs with a “one-stop-shop” for export development assistance.¹⁹⁷

The Exportcentrum has 18 offices in the different regions throughout Sweden. Moreover, one region has a cooperation between different actors which is not labeled as Exportcentrum but has the name “Internationalisering i Väst”. There are a number of different programs offered through the Exportcentrum. These programs can differ from one region to another, but all of them aim at enhancing the SMEs chances of becoming successfully exporters. The most

¹⁹⁵ NUTEK, Annual Report 2000.

¹⁹⁶ www.nutek.se

¹⁹⁷ Meeting with Thomas Carlsson.

important offer the Exportcentrum provide to SMEs are, through the involved actors, knowledge, experience, resources (both financial and personnel), and network.¹⁹⁸ Furthermore, all companies in Sweden can go to Exportcentrum in order to get information, service, and advice about export and internationalization. The effort of reducing the difficulties for SMEs, through the Exportcentrum has been successful to some extent, but there are still many things that need to change before this is a complete success. For example, a more clear division of roles between the different actors can provide a better allocation of resources. To what extent this has to be changed differs from region to region.

ALMI, as part of the Exportcentrum, has as its aim on promoting the start-up and development of Swedish SMEs, in all different industry sectors. The intent is to complement the regular market actors' services by providing services in business strategic advices, competence development, and financing, specifically in areas where there is a lack of supply. ALMI has 21 regional offices and one parent company.

Then from the semi public side, the main actor of this whole network is the Swedish Trade Council. The STC possesses 20 consultants located at 11 different offices around Sweden. Mainly through the small company program it provides assistance towards the SMEs in their local and international efforts and for this it also works in close cooperation with other actors at the regional level.

The Chambers of Commerce, on the other hand, located in the different regions constitute the most important private actor in this regional network of export assistance. Moreover, it is important to mention that they are, in most regions, part of the Exportcentrum cooperation. Hence, despite the fact that they act separately, they also do it in conjunction to better provide the assistance needed by the SMEs.

Furthermore, all around the different regions there are other private actors that play an important part in assisting companies. These actors are sometimes

¹⁹⁸ Meeting with Thomas Carlsson.

small local consultancy firms. However, it is important to highlight that in many cases these actors are mainly driven by profits rather than the purpose to assist companies for regional development. In addition to these consultancy firms there are a number of other actors, for example banks, trade organizations etc. Nevertheless, in some regions there are very few, if any of these other actors present. For that reason, in those cases the STC, ALMI, and the Chamber of Commerce etc. provide the services of these actors.

Finally, it is important to mention that different trade associations (e.g. the Federation of Private Enterprises and Confederation of Swedish Enterprise) have a wide network all over Sweden, either through their different member associations or through their own offices. These associations sometimes have services offered to their member companies, similar to the once offered by STC. Through the regional network the trade associations can provide this assistance in a way that makes it easy for the companies to access.¹⁹⁹

5.2.2.3. International Network

Concerning the international network, it mainly consists of actors from the public side, even if there is the presence of private actors as well. Sweden currently has 103 foreign authorities all over the world, which means that Sweden has a foreign authority in more than half of countries in the world. The reason for this is that some countries are considered to have low importance and therefore it is enough to have a Swedish ambassador from a neighboring country carrying out the diplomatic relations.²⁰⁰

The main public actor in the international network is the Swedish Embassy or other foreign post, operating in many countries. The commercial section of the embassies or other foreign post handles the trade promotion activities. These activities mainly deal with providing information about the country, but assistance in the form of advice is also given to a certain extent.

Moreover, STC is also present in the international network, either through their own offices or offices within the embassies. In those countries where STC has own offices, the responsibility for export promotion activities is delegated to it.

¹⁹⁹ SOU 2000:102 (2000).

²⁰⁰ www.utrikes.regeringen.se

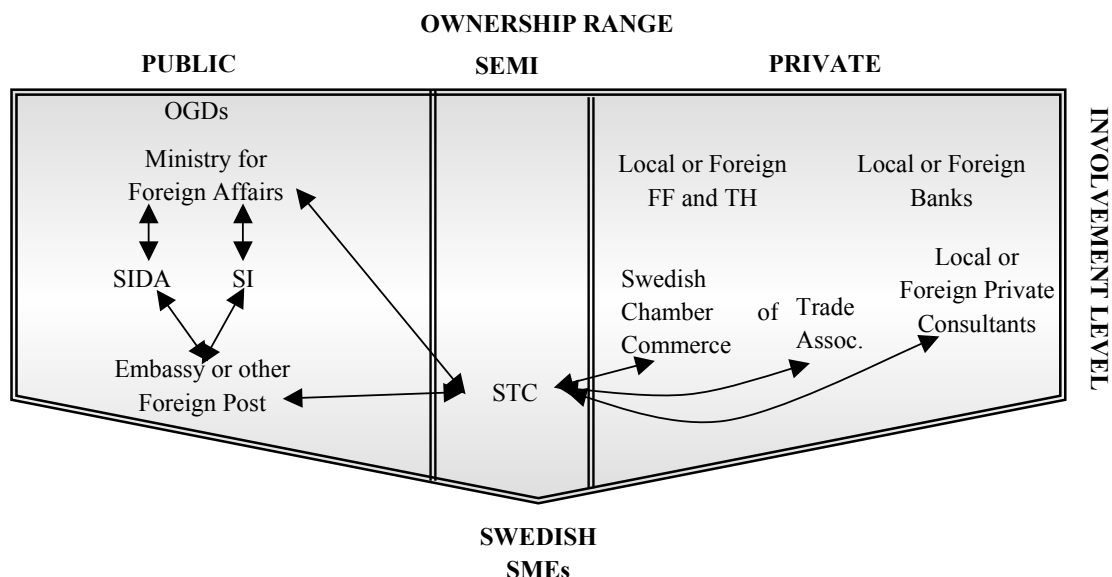
In other words, the STC has been given the authority by the Swedish government to conduct the Export Promotion abroad, in some cases, instead of the commercial section. However, this authority only involves Export Promotion activities, therefore, other main diplomatic responsibilities are still held by the Embassy, which means that STC is subordinated to it. However, STC is only present in some countries (e.g. Japan, China, Poland, Germany, and United States, etc) with many offices which undertake all Swedish trade development issues.

STC's foreign offices are in most of the cases managed by a commercial secretary. This means that this person has the status of being a governmental authority in commercial matters. However, this person is subordinated to the ambassador's authority when it comes to the relations with the country in question. The government appoints the commercial secretary after advice from STC. Some authority has been delegated to STC when it comes to planning and guiding the work of the commercial secretary, but this is under the directions given by the government. Furthermore, the commercial secretary has the right to employ staff to the foreign office. However, first STC has to approve the employment.²⁰¹

An interesting aspect in how the international network looks like is that in three cases, Canada, Finland, and Italy, STC's foreign office is something called company office. This means that the office is not an office having governmental authority as the offices run by a commercial secretary. In these cases, STC owns a company, which represents the foreign office. Since these offices do not have a governmental authority, the person in charge does not have to be appointed by the Swedish government. Instead, STC can employ an indigenous person if they want to. The person will be employed by the board of directors, which is only composed of representatives from STC. In these countries the office is not in any way subordinated to the ambassador, and it cannot be placed on the diplomatic list. Furthermore, the company has to follow the laws of the specific country, for example regarding employment, taxes etc.

²⁰¹ SOU 2000:102 (2000).

FIGURE 21: INTERNATIONAL EXPORT PROMOTION NETWORK



Source: Own (2001).

As can be perceived from the figure above, there are also other actors (both public and private) representing Swedish interests abroad. For example there is the Swedish Church, the Swedish School, SI, and SIDA etc. Moreover, these first two actors are not directly involved in export promotion, hence, these are not included in the figure. However, their only role is to promote Sweden in their activities, which could have an impact on how Sweden will be perceived abroad. The other two these actors, SIDA and SI have activities that can be of interest from an export promotion point of view.

SIDA is the main body for Swedish aid provided to developing countries. SIDA has approx. a hundred persons working in foreign markets mainly through the embassies. Its main function is to assist poor countries in the attempt of raising the standard of living. Since the work is aiming at assisting developing countries, SIDA often has representatives in countries where STC does not have any activities. Even if their work is not directed towards export promotion, they constitute an important link by providing the possibilities for Swedish companies to have access to useful business contacts in the countries where it is present²⁰².

²⁰² SOU 2000:102 (2000).

The Swedish Institute, on the other hand, only has one foreign office, in Paris. Rest of its activities are handled through the office in Stockholm. Its main aim is to promote Swedish interests and contribute to growth, employment, and cultural development from this country. Hence, its role in Export Promotion is to provide information about the Swedish society, commercial environment, etc. This work is done in close cooperation with the Swedish embassies and this means that SI reaches a wide range of countries.²⁰³

When it comes to actors from the private side, there are some, which have a role in the worldwide network as well. The most important actor is the Swedish Chamber of Commerce, but there is also the presence of other actors such as banks, private consultants, trade associations etc.

The Swedish Chamber of Commerce has approx. 20 offices located abroad. These are involved in an international network of over 10,000 International Chambers of Commerce in different markets. Nevertheless, it is important to mention that the national chamber manages 5 of the STC offices on its behalf. A few of the Chambers of Commerce abroad have a service where they offer information and advice to companies when it comes to establishing contacts with companies in those specific markets. This is mainly realized in the United States, UK and Germany. For that reason, this actor is seen to be a valuable factor complementing to STC's services abroad.

Some Swedish trade associations do not have any own offices abroad, but their network with trade associations in other countries is valuable for their members when it comes to finding international opportunities. This is not provided as a regular service, but the member companies occasionally use this. In those cases, their assistance is similar to the STC assistance.

Conclusively, in the international network for export promotion, there are many different types of main actors. Some of them have a very close cooperation, but in some cases it seems that there is a mixture of roles and activities, hence it seems to be some overlaps.

²⁰³ SOU 2000:102 (2000).

5.3. CONCLUSIONS & SUMMARY OF THE CHAPTER

As identified both Swedish and British EPPs are arranged in some similar but also different ways to accomplish the boosting of their national companies abroad. Both operations seem to be efficient in their activities, specifically Information provision, but there is some space for further development and change. Nevertheless, in order to end this chapter we next present a brief summary of each EPP.

5.3.1. SUMMARY OF THE BRITISH EPP

In order to conclude with the British Export Promotion Program, it is worth mentioning that the light provided by the recent government changes have been the key in the current success of the British EPP. The Wilson Review, which advocated the establishment of a single local business support organization (BTI), providing trade and foreign direct investment development on behalf of all UK businesses, is one of those changes. Thus, the understanding of a continuous revision of the current and future export operation has been created in the UK and plays an important role. Nevertheless, there are several other factors, which also arise from this Review, and have set up and shaped it into the current British EPP.

The shift of emphasis from promotion to development, which creates increased scope of projects, is another successful factor of the British EPP. Nonetheless, the involvement of the private sector into the program is also a key feature that adds value to this British case. Thus, the new system is a mixture or joint campaign with all different perspectives, actors and activities related to trade development.

Regarding the export strategy and objectives, these have been clearly based on UK business needs, to assist them in the development of their abilities and to market their goods and services effectively abroad. This was clearly shown in the shift from market to sectoral focus and the export development of the promotion services. Moreover, the creation of robust mechanisms to ensure that the performance in the area of trade promotion and development have been raised as well as continuously matched to the standard of the current best practice.

However, by introducing the Trade Partners UK (TPUK) as the unified brand or face of BTI for the provision of business developing opportunities overseas, provides a larger clarity and meaning for the whole operation. It is good to pinpoint that the work of the operation at all levels has a strong focus on the development of the capabilities of UK businesses and in special SMEs. Hence, there is no discriminatory targeting of customers. Regarding customer focus, another key feature of the British EPP is that it focuses largely on SMEs and they and other UK firms have shown high levels of satisfaction.

With respect to the services provided by the UK operation, the importance to examine the various and different kinds of services to consider their future role and scope for further development is an important characteristic. For all this, BTI has set challenging but realistic objectives and milestones regarding Export Promotion Services. More specifically, BTI has decided to improve its different assistance schemes and objectives, so that there is a lower confusion and inconsistency degree among them. As a consequence of that the current degree of satisfaction of the offered services is above what is considered to be a good level.

The strategic approach towards information and advice management ensures that there will be operational efficiency and continuous high quality of customer service regarding the Information provision service. Thus, attention is allocated to address what kind of information is held, where, who controls it, how to maintain it, how it is presented, what is for free and what is chargeable. There is also a clear recognition that there is a need for improved and common information systems to underpin the work of the new operators. For this the UK government is strongly focusing on the development of IT infrastructure for the delivery of its services, the TPUK is a perfect example of this. Therefore, the British EPP presents a very comprehensive and developed Information provision system, which includes value added advice.

The British operation has, in addition, decided to coordinate many activities with all the related actors. Hence, there is an attempt to jointly embody all agents in the same plan. BTI though TPUK wants to ensure that not only their services are more effective and efficient, but also, the management of their delivery network in the UK and overseas.

The current UK Export support and assistance operation brings together into one single management coordinative structure all operations that used to be fragmented in the past. For that reason, BTI believes to have made a step change to achieve effectiveness towards export development.

In addition, the British government undertakes a continuous and fundamental review of local business support and representation structures concerning the Network of main actors. Therefore, there is the appreciation of a closer coordination and better implementation of the actors responsible for Export support and assistance. The establishment of the current structure provides a strong voice for business in influencing and shaping public policy on all aspects of the wider business environment that relate to or impact upon businesses has been made. This can be clearly exemplified with the creation of the 9 Trade Partners UK Regional Offices in charge of the implementation of the national trade development strategy at the regional level. These offices are collocated with the existing government offices in the regions.

Furthermore, despite of this new arrangement there is still a confusing diversity of structures, in the form of actors, which must bring the views and contribution of the business community to a local economic development activity. This problem mostly focuses on private actors of the network and roots to their own strengths and characteristics. For that reason, as previously mentioned the UK operation keeps trying to improve the coordination between all the related actors.

The appraisal of the availability of sufficient core resources to all the networks (e.g. regional, national and worldwide) entails to an increase in the resources made available for the network of main actors. Thus, some distortions created by income generation targets by some of the Business Links have been eradicated and supplemented by a strengthening of those actors. Additionally, all operations (e.g. the worldwide or international network) seem to be an integral part of the new UK operation. So, there is a coordinative effort towards an optimal Network of main actors.

Conclusively, it is valid to argue that by examining the British EPP, there are many valuable elements that could be taken by a similar EPP in order to improve their services and standardize them to the same degree as the British.

5.3.2. SUMMARY OF THE SWEDISH EPP

The Swedish overall objective to promote international trade is deeply interrelated to the national growth and prosperity. In this matter the government's objective is to promote trade and economic exchange in a broad sense between Sweden and other countries.

Therefore, one of the most important efforts realized has been the establishment of the Swedish Trade Council in 1972, after an agreement between the Swedish government and The General Export Association of Sweden, as the official body for export promotion. After this event many different changes have occurred, however, one thing that contradicts the overall aim of assisting companies in their internationalization process, is that the government funds for export promotion have decreased considerably during the last few years. For that reason, it can be argued that the Swedish Trade Council has moved towards being more of a consultancy firm.

There are several types of assistance that this and other Swedish actors present to SMEs and other firms. Furthermore, these services present also a good satisfaction level in general terms. Nevertheless, regarding the Information provision service, this service, which is mainly realized by the Infocenter of the STC, to the SMEs delivers mainly information for which advice is mostly realized as part of the Export Consultancy service.

Moreover, regarding this particular service, it is fully subsidized by the government and therefore, free of charge. The information provided through this service is general and is available to everybody (both companies and private persons). The information provided, covers both general knowledge about specific markets, and specific exporting issues Swedish firms have to be aware of (customs, standards in different countries etc.). Nevertheless, the gateway for this service is through the STC website.

Furthermore, it is not only the STC that provides assistance towards the SMEs, but also other public and private actors. These other actors, together with the STC constitute the Network of main actors when it comes to Swedish Export Promotion. These actors differ depending on their presence and involvement level (national, regional and worldwide). In the national level some of the main actors are the STC, NUTEK and ALMI. The last two are mainly responsible for the development of SMEs businesses. Then another main actor is the National Chamber of Commerce, which is a private actor providing also assistance, such as Information provision, among others. Nonetheless, most of the mentioned main actors are all working under the guidance of the Ministry for Foreign Affairs.

At the regional level the cooperation is more visible between the different main actors, in the created virtual meeting place the ExportCentrum. This coordination has meant that the Swedish SMEs can find most of the information they need in one place as a one-stop-shop. However, there are still many improvements to do, especially since there are disparities in development matters among the different Swedish regions.

The worldwide network on the other hand, consists mainly of three main actors in Swedish export promotion activities. These are the Swedish Trade Council, the Embassies or other foreign posts, and again the Swedish Chamber of Commerce. The coordination between these different actors seems to be well organized but somehow blurry. For example the STC and the Chambers of Commerce interchange the coordinative roles, and the STC separates itself, physically, from the embassy in some markets. Despite of that it is important to highlight that Swedish embassies or other foreign posts have the largest network of foreign offices compared to many countries.

For that reason, and regardless of the presence of the Swedish Trade Council as the main actor on all the different levels, national, regional and international, there is space for a further development of the arrangement of the Network of main actors in order to provide better and more focused services to Swedish SMEs and other firms.

THIRD PART OF THE THESIS

The Third Part of this thesis covers Chapter 6 – A Comparative Analysis for Identifying Best Features, and Chapter 7 – Conclusions & Recommendations.

Chapter six presents a comparative analysis of the British and Swedish EPPs, with the main aim to identify the best features in Export support and assistance. Nevertheless, an important extension of this chapter is that it also presents a comparative analysis of the empirical findings with the theoretical aspects pertaining to the Theoretical Framework. In this way, the main aim of the chapter is to identify a norm in this matter. Chapter seven, then, presents the conclusions and recommendations of the project, referring to both the empirical and theoretical analyses from the previous chapters

CHAPTER 6 - A COMPARATIVE ANALYSIS FOR IDENTIFYING BEST FEATURES

In this chapter, a comparative analysis of the British and Swedish EPPs is conducted, with the main aim to identify the best features in Export support and assistance. For that reason, we have selected and compared specific information from the previous chapter, in order to highlight empirical key features of the EPPs, the Information provision service and the arrangement of Network of main actors. Nevertheless, an important extension of this chapter is that it also presents a comparative analysis of the empirical findings with the theoretical aspects pertaining to the Theoretical Framework. Hence, the analysis in this chapter has two steps. This means that the first part is an inductive, and the second part is a deductive. In this way, the main aim of the chapter is to identify a norm in this matter.

6.1. A COMPARISON OF THE EPPs

To start with this comparative analysis a comparison of the general and main characteristics of the countries' EPPs is realized covering their major objectives, main actors and degree of participation and degree of development and innovation.

6.1.1. MAIN OBJECTIVES

Concerning the main objectives of both EPPs, the differences existing between both operations is remarkable.

As stated in the previous chapter, the main high level objective of British export promotion is in stimulating and enhancing the competitiveness of UK businesses, to contribute to national prosperity by improving overseas earnings, from the sale of goods and services, as well as the returns incurred on investments abroad.

On the other hand, the Swedish EPP has as its overall objective to promote trade and economic exchange in a broad sense between Sweden and other countries. This objective is within the framework of the combined efforts to promote Sweden in a number of different areas such as export, investment, tourism, and cultural, educational and research exchange.

Therefore, the arising difference is that the British EPP presents rather a more developing character for exporting than the Swedish one. The British EPP identifies as a key element for export promotion the improvement of its business environment as the springboard to improve its exporting levels. The Swedish one conversely has a rather more promotional character as it aims first on a broader sense of promotion of the country.

Nevertheless, a similitude between both EPPs is that both clearly state that they have a strong focus on the promotion and/or development of their SMEs, as they constitute key economic elements of their respective business environments.

6.1.2. MAIN ACTORS IN EXPORT PROMOTION

Regarding the leading or main export promotion organizations, EPOs, there are similar but not equal actors in both countries. In the UK BTI is the leading governmental organization, behind international trade development and promotion. Nonetheless, it is important to highlight that the national mission to increase British business success overseas is realized through the operational arm, TPUK. BTI's other mission, investment into the UK from overseas, is realized through Invest UK. Moreover, through the introduction of the new brand, TPUK, BTI aims to increase the essential clarity needed in undertaking the full range of export promotion and development services so that every British firm will be absolutely clear about the assistance available and how to obtain it.

Thus, BTI through TPUK provides support for businesses that are already successful outside the UK as well as to those ones, which seek to develop new opportunities in overseas markets. For this task British resources are allocated against strategic objectives and reflected in BTI's annual Corporate Plan.

In the Swedish case, on the other hand, the Ministry of Trade, under the Swedish Ministry for Foreign Affairs, acts as the official trade promotion body from the Swedish government. The Ministry of Trade has the overall responsibility for international trade and this includes both export as well as import. The special created bodies dealing with foreign trade have been divided

in two separate parts, the Swedish Trade Council (STC) for exports, and Invest in Sweden Agency (ISA) for foreign investment.

Furthermore, the ownership structure of the agreement of the STC is seen to be the most appropriate one, because the public through the government and the private through the industry sector have a mutual space to conduct their activities, as they both own the STC.

As can be perceived, both countries have a managerial body, which subdivides and bestows specific export promotion activities into an operational body, TPUK and STC. Nevertheless, it is very important to highlight that in comparison with the Swedish part, BTI uses TPUK rather more as a brand for export promotion and development than the Ministry with the STC.

This can be explained by the short time in existence of TPUK. For that reason, it can be argued that currently the Swedish EPP through STC presents a clearer and more a defined presence than BTI with TPUK. Nevertheless, it is important to highlight that, as TPUK is a result of a major restructure made in the UK a couple of years ago, it is expected to have a more promising and relevant role in the future for boosting exports. The STC, on the other hand, is still looking in to the possibility of a future privatization.

Another key difference of the main actors in both countries is that the STC is partly owned by the private sector and the public while BTI only presents both sectors by their board of directors' representation. In other words the Swedish operation has a heavier representation of the private sector in this matter.

Finally another difference exists, as the STC is not a legal body in Sweden. This can present some advantages as well as disadvantages, however this is intended to change as part of a future restructure of the STC. Furthermore, we have to say that as of today both structures are seen to be the most appropriate ones in their countries.

6.1.3. DEGREE OF DEVELOPMENT & INNOVATION OF THE EPPs

In order to adapt their respective EPPs to the continuous changes in the global and export environment, the UK and Swedish systems have made many efforts towards the improvement and innovation of their Export support and assistance operations.

The British EPP has already applied all the recommendations made in the Wilson Review. Additionally, BTI is ready to launch a new trade development package for autumn of this year to improve and better suit their services. Moreover, key changes taken by BTI have been for instance the shift from market to sectoral focus for the export development worldwide. There were many inconsistencies created by this prior focus as assistance packages differed in quantity as well as in quality through markets or countries, depending on their commercial relevance. Thus, in refocusing the assistance target, BTI ensures that there will be rather a more and focused set of opportunities by exploiting the area of activities where most British businesses excel.

Additionally, BTI has rethought on its Impact Performance Measurement rational. By doing this BTI wants to ensure that for every pound spent on export assistance efforts, 95% of it is reflected on improved business performance. This shows the great intention by part of this EPP to improve its different assistance schemes and objectives, so that there is a lower confusion and inconsistency degree among them. Nevertheless, BTI has set some future targets or general priorities for the next three years in order to present a higher and more comprehensive role in export promotion.

In the Swedish EPP some changes have been made towards the improvement of it. But the STC's main objective still remains the same as the one from the beginning: *“the objective of the council is to initiate, plan, coordinate, market and execute tasks to promote Swedish Export and internationalization in conjunction with export”*.

One of the most important changes made to the Swedish EPP (prop. 1991/92:108), lead to a substantial decrease (almost half) in the government

funding to STC. Therefore, Swedish companies are now responsible for a larger part of the financing of their own internationalization efforts.

Nonetheless, the Swedish Trade Council's operations nowadays are more and more about strategic questions (e.g. international investments, moving vital functions abroad) that companies face and they have to continuously reconsider their way to work on international markets. This is due to the fact that it is becoming more and more clear that international trade is no longer the same as exporting.

Consequently, by taking all these points into consideration we can clearly identify that the British EPP presents a higher degree of improvement and innovation of its operations than the Swedish one. This is not to say that the Swedish model has not developed during the last years. However the British one presents a more innovative system. This issue plays a crucial role since the conditions abroad change constantly and it is important to better suit what is available for any internationalization efforts.

6.2. A COMPARISON OF THE INFORMATION PROVISION SERVICE

Following the comparative analysis of some of the EPPs' features, we now focus on comparing the features of the Information provision service, as part of both operations' Export Assistance Services.

Comparing both systems regarding their Export Information provision services, many similarities and differences between them are recognizable. The similarities come in the form of the following issues. First, both British and Swedish operations present high provision levels regarding this service for their respective SMEs and businesses willing to internationalize, regardless of the fact that it is provided for free or at a low cost. This can be clearly experienced by using their web pages.

Relating to this last issue the British and Swedish operations use the web pages of the main actors, TPUK and STC, as the main gateways to canalize and deliver this service in addition to market based staff.

Second, both operations use sub-bodies or departments from the main actors, TPUK and STC, for the realization of this service. Specifically, we mean the Information Centre and the Infocenter. The information created through these sub-bodies covers a wide range of topics such as statistical data, general descriptions of different markets and countries etc. Nevertheless, important to mention on this matter is that, both sub-bodies aim at providing their respective companies with information that leads to business opportunities in the different countries. This is realized in both countries by the offering, the “new business opportunities” in TPUK’s case and the company-matching service in STC’s case.

However, another similarity arises as until today, customers have shown high level of satisfaction when it comes to both British and Swedish Information provision services. Nevertheless, it is crucial to remark that an inquiry about the export-supporting activities executed by the Swedish Trade Council, showed that Swedish SMEs were rather not as pleased, in general, with their national Export Program services, in comparison with the other interviewed companies.

Conversely, regarding the differences between both operations concerning this service, BTI clearly has set challenging but realistic objectives and milestones for this and other Export Promotion Services. Thus, BTI undertakes a regular and systematic review of this service in line with Government policy on Better Quality Services, and benchmarks it against those provided by other countries.

The STC, on the other hand, attempts to improve the standard of this and other services, through an individual project level analysis. The STC estimates that this is a good review measure, which eventually leads to the development of the whole organization. For that reason, the difference arises as both operations use different review methods for the Information provision and other methods.

Moreover, connected to this last matter, the British EPP possesses a high level of information and advice verification as part of a system of information management. The Swedish system realizes this at an ad-hoc basis.

In addition, another difference, as for the British case the Information Provision service includes value added advice to a certain degree on export opportunities

to its SMEs and other UK firms. In the Swedish case, on the other hand, the provision of advice is seen mostly as part of the Export Consultancy service. Therefore, Swedish firms experience a clear leap between the Information provision service and other services. For that reason, Swedish system of Information provision is clearly directed for the initial stages in internationalization.

On the other hand, a clear difference is visual as in the British case, there is an attempt to teaching how to create this basic service to the demanding firms. TPUK in coordination with the BCC offer this activity within this service, so that the assisted UK companies will be able to conduct their export efforts by themselves at the end.

Moreover, another key feature of the British system for Information provision is that it wants to eradicate or minimize the rate of failure cases. For that reason, all types of information and advice provided under this service has the focus to create success cases, even if this means to refocus in other markets, sectors or counterpart to internationalize. Nevertheless, the key feature of the Swedish Information provision is that it presents both a proactive and passive way to approach companies to present export opportunities.

6.3. A COMPARISON OF THE ARRANGEMENT OF THE NETWORK OF MAIN ACTORS

A key aspect regarding the Network of main actors in Export Promotion is that it requires a certain degree of participation and coordination from all the related actors. As it occurs in countries around the world the task of supporting and assisting exports is realized by a number of various actors, differing in ownership, degree of activities on different levels (e.g. regional and international). So, whether all actors are arranged under a clear and optimal manner is crucial. Nevertheless, this section is further subdivided in three different levels in order to highlight the features of each level.

6.3.1. THE NATIONAL NETWORK

In the British case, BTI brings together into one single management coordinative structure all British trade promotion and development operations.

BTI, through TPUK, provides at all levels, coordination of government departments, private, and other actors, as well as provides a voice for potential and already exporters and companies investing overseas within government.

For this it outlines the support and development together with its partners in the governments of England, Scotland, Wales and Northern Ireland. In addition, BTI's arrangement strengthens and better coordinates the relationship between trade, exports and imports, and investment activities in the British Central Government, Devolved Administrations, and Other Government Departments (OGDs), as well as with other national actors (e.g. chambers of commerce, etc.). BTI also further strengthens the close relationship between trade and investment work in the network of commercial post overseas (e.g. over 223 embassies and other diplomatic posts).

Furthermore, an important characteristic of the British operation is that the various main actors have a representation on the Board of British Trade International. In addition to that, to ensure that all interested parts of the government work together, the Governmental Advisory Group further coordinates the support provided to exporters. Each industrial sector is encouraged by the Group to develop a sector export strategy. From this, TPUK works closely with industry and relevant Whitehall department to agree on how strategic goals should be implemented. Moreover, there is a Review every five years to ensure that the network provides UK exporters and investors full weight.

Despite this new arrangement there is still a confusing diversity of structures, which must bring the views, and contribution of the business community to local economic development activity. This problem mostly focuses on private actors of the network, as they possess their own set of strengths and expertise. For that reason, TPUK creates and coordinates with other main actors (e.g. BCC) the provision of services, such as Information provision. For this TPUK has included them as part of some national schemes for Export Assistance services.

The Swedish case, alternatively, also presents the main intention to bring together all the different actors providing assistance to the Swedish businesses

attempting to go abroad. Among other things, this is why the private side is one of the owning parts of the Swedish Trade Council. The Swedish government, represented by the Ministry for Foreign Affairs, and the private industry, represented by The General Export Association of Sweden jointly own the STC. By this ownership structure, there is a greater chance that the offerings will be more directed to the actual needs of the Swedish companies.

Even if the STC nowadays is the main EPO, there still are other actors involved in export promotion (e.g. NUTEK, ALMI, SI, CSE, etc.). To some extent this is seen as something positive since different actors can provide a wider range of assistance, but sometimes also as negative, since they can lead to overlaps.

Moreover, all the different Swedish actors at the national level are to some extent coordinated, mainly officially through the STC. However, to what degree the coordination occurs differs according to the characteristics of the other actors. In this matter, the virtual meeting place, Exportcentrum, has been established to make it easier for the SMEs when they seek support and assistance to go abroad. This meeting place is a cooperation between STC, ALMI, and in most of the places also Chamber of Commerce. In some Exportcentrums also other actors are involved.

Nonetheless, all the main actors have a direct link with the Ministry for Foreign Affairs when it comes to providing services such as the Information provision as well as influencing them in the policy making and implementation. To further enhance the possibility for the Ministry for Foreign Affairs to make appropriate policies regarding promoting Sweden abroad, the Swedish government has established NSU (the board for promoting Sweden abroad). This board consists of representatives from STC, ISA, SI, and EIM among others. Finally, an important actor in this policy making is the National Board of Trade, which acts as the main investigator and advisory body for the Ministry for Foreign Affairs in these matters.

Conclusively, after identifying the key features of both operations with respect to the National Network of main actors, we can argue the following. First in both EPPs there is a large number of actors involved in the export promotion.

However, the leading official actors, TPUK and STC, are present at all levels for which they coordinate the different Networks of main actors.

Furthermore, it is remarkable that the British Network of main actors seems to be clearer than the Swedish one. This can be linked to the degree of coordination of the different actors. TPUK creates and coordinates with other main actors the provision most of its services, moreover it also involves them as part of some of the schemes in Export promotion and support. The Swedish case similarly creates and coordinates some of its services with other actors. This is somehow similar in the Swedish case, but this seems to be realized in some degree of confusion, attributable to the role of the virtual meeting place, Exportcentrum.

For that reason, the British operation has rather a higher level of coordination with relevant actors in this matter in order to gain from synergies. In addition to this, in the UK network there is a great attempt set a resource shift to UK regions from London. Thus, direct contact between overseas posts and UK businesses wherever they are located, through the regional contacts, is enhanced providing faster speed to the global network. In the Swedish case otherwise it seems that all the activities usually go through Stockholm.

Finally, another key difference is that in the UK case there is a review of the network every five years, while this does not exist in the Swedish case. In order to appreciate more in detail the differences of both arrangements we next present the differences at the regional and international networks.

6.3.2. REGIONAL NETWORK

At the regional level it is identifiable that both the British and the Swedish networks have also a vast amount of actors involved in assisting companies in their internationalization process. The main actor in Britain is the Business Link and the counterpart in Sweden is the Exportcentrum. Both of these actors main intention is to provide the companies with a one-stop-shop of offering assistance at the regional level.

However, it is important to highlight that there is a major difference between these two. The Business Links (BLs), on one hand, are established actors with a

developing character locally and abroad. BLs brings together some of the most relevant public actors, and it compliments its staff with the ones from the incorporated actors, (e.g. the 9 Regional TPUK Offices) to assist companies at a local level and regional level. This is significantly different than with the Exportcentrum, as this actor is only virtual, where Swedish companies can find the offerings from STC, ALMI and the Chambers of Commerce.

Finally, it is important to highlight that there is a difference between the two countries' arrangement of main actors, as when it comes to using resources provided by the research centers, universities in particular, the BLs have a close cooperation with some of the British universities. The relevance of this feature is that universities provide a good source of knowledge mainly when it comes research in new and unexplored areas. In the Swedish network there is no direct link with any educational institutions.

6.3.3. INTERNATIONAL NETWORK

A comparison of the international network of Sweden and Britain shows that there are some similarities between the two countries. The most crucial ones are that both have a well-developed network, with representatives in many countries. If there are embassies or other foreign posts, they are the actors providing with the official representation of the country, in political, commercial, security and other issues. Furthermore, another similarity is that in both Networks, there is recognition to possess more than one office in key markets.

However, there are some differences between the two countries' network. The most important ones are the following. The first one is that the British one presents a governmental program of overseas reviews to ensure that there is an accomplishment of the related objectives and targets as well as to ensure that the overseas posts and teams are suitably resourced and properly managed and deployed. Even BTI is producing a best practice manual for overseas posts designed to raise the performance of the average post.

In addition to this, in the UK network there is an attempt to focus on a unified market strategy and in developing joint objectives and targets by the network of main actors worldwide. This includes all public and private actors.

However, the most crucial difference is that in the Swedish case the STC has a presence within or outside of the same Embassy or foreign post offices. In other words, the STC has been given the authority by the Swedish government to conduct the Export Promotion abroad, in some cases, instead of the commercial section. While in the British case, TPUK is always located within the British Embassies and it only has the task to coordinate all the commercial activities of the British embassies or other foreign posts.

Related to this matter there is also another difference, previously highlighted. This one is related to the role of the Swedish Chamber of Commerce abroad conducting the activities of the STC in some markets.

An extra difference between both arrangements is the activities performed by the Swedish actor SIDA. SIDA provides the Swedish international network with a very good source of linkage for developing projects in less developed countries where the STC does not have any presence at all. The counterpart for this could be the British Council, moreover this institution mostly deals with the development of cultural and educational matters with other nations.

For that reason, it can be argued that in both International Networks, both arrangements present some key characteristics applicable to this stage.

6.4. A COMPARISON BETWEEN THE EMPIRICAL FINDINGS & ASPECTS OF THE THEORETICAL FRAMEWORK

Finally, a comparison with the theoretical framework as the base will also be conducted with the two countries.

As mentioned in the beginning of this chapter, this section in particular analyzes the empirical findings of the two factors EPPs, the Information provision service and the arrangement of the Network of the main actors, through a comparison with aspects presented in the Theoretical Framework. The main reason for this comparative analysis is to identify features that could create a norm in Export promotion and support in the mentioned factors.

6.4.1. THE INFORMATION PROVISION SERVICE

This section compares the Information provision offered by the both countries EPPs through the previous presented theory of Information Collection Theory. However, it is important to highlight that both countries fulfill the theoretical requirements when it comes to offer the information and advice as a service free of charge, or at a low cost. It is important to mention that both TPUK and STC provide this service through their respective Information provision services. But, this type of support and assistance is further developed by the respective consultancy parts of both EPPs. This means, in the TPUK case, that the fees are progressively increased according to the depth and specification of the information and advice. This is conducted similarly in the Swedish case. Moreover, it is clearly recognizable that in the Swedish case, what the STC offers in this service is more restricted than in the British case (e.g. with respect to the advice provided). For that reason, the information provided within this service in the Swedish EPP has a clear character for only the first steps in the internationalization of SMEs.

Continuing with this analysis, the comparison of the empirical findings with the Information Collection Theory will follow taking into consideration the five different steps presented in the Internationalization process for SMEs, in order to identify whether what is offered in the service of Information provision, satisfies the SMEs' needs.

In this condition, in the first stage, domestic market focus, SMEs have not even started to consider the possibility to internationalize. For that reason, STC is the only one of the two case countries EPOs, which realizes any activities towards SMEs in this group. This is done as the STC takes a proactive approach of seeking up SMEs in order to provide them with information about the opportunities of exporting. Therefore, this information is general and only provides the SMEs with enough knowledge in order to raise an interest of the exports possibility, which makes it satisfying according to the theoretical framework.

Thereafter, SMEs have to start developing their businesses in order to meet the new demands this internationalization process will bring to them. This can be done through the help of different development programs offered by both STC

and other actors. Moreover, this service is included within the range of other services such as Export Development. TPUK, on the other hand, satisfies with this theoretical aspect, in the sense that it provides its SMEs with information and advice for the background of the internationalization process. Better said, the British operation includes a developing character. However, one disadvantage of this operation is that it provides with this service in a passive manner, meaning that SMEs have to approach TPUK and not vice versa.

In the second stage, pre-export, SMEs have decided, but not in a definite way, to internationalize. These companies search for information that can provide them with the background to evaluate the feasibility of export activity. Thus, both TPUK and STC offer for this purpose a well-developed range of information and advice, through an extensive range of topics. This information and advice aims at providing the SMEs with opportunities in different markets and countries in order for them to decide why, where and how to start exporting. The most important issue in this stage is to provide the SMEs with information and advice that convinces them to start the internationalization process. Moreover, TPUK as mentioned earlier offers somewhat a deeper service in this area through the Information provision through the advice required by the SMEs in order for them to decide on where to go abroad.

For that reason, it can be argued that in a very general way both EPPs satisfy these needs, however, more in detail the British operation covers this step as it provides with value added advice for this step.

Then in the third stage, SMEs have decided to continue with their internationalization process, so they move into a next step involving an experimental export involvement. This means that the SMEs actively start testing to export to one market with one potential lead. TPUK and STC offer, to some degree, to their respective SMEs information and advice within the Information provision service that satisfies these particular needs. However, this is not fully included within this service area in the Swedish case, as this involves information and advice of a further depth. Therefore, this area is somehow blurrish between the Information provision service and the Export Consultancy in the Swedish case. In the British case, due to the extra value

added advice provided within the Information provision service, it satisfied better with the arising requirements.

Some of the information and advice required in this stage includes topics such as customs clearance and logistical issues, cultural aspects, and other institutional settings, etc. For that reason, this makes only the British compliant with these requirements within their Information provision services. Hence, a further development of this service would be required in order to fully satisfy with this step in the case of the Swedish EPP. However, this will imply that there should be also a clearer and more comprehensive definition of the range of the information and advice provided between the Information provision and the Consultancy services.

The fourth stage, active involvement, comprehends the movement of the SMEs from the experimental stage to an evaluative stage where the firms will decide to render their activities abroad. An important issue in this stage is that the SMEs now have to start develop their organization to better fit with the specific institutional settings abroad, in order to secure and excel in their presence internationally. The information and advice provided by both TPUK and STC for this stage are outside the limits of the Information provision service. Thus, this is fully covered through their respective consultancy services. However, for the Swedish EPP the Consultancy services in this matter seem not to provide with the best solution since they also include the information for the previous stage. Hence, there is a great leap from what the Information provision to the Consultancy service offers. Therefore, STC has to develop its schemes to better satisfy the specific requirements of each of the internationalization stages for SMEs.

However, at the same time, both the British and Swedish EPP could develop, to a certain extent, their Information provision services to better meet the requirements of SMEs that could be in a very disadvantageous position in terms of the lack of resources for this stage. However, this issue depends on the EPPs main authorities.

This fifth and last stage, committed involvement, involves the SMEs in the full engagement of these firms abroad, to the degree that strategically there should a

balance of the national and international allocation of resources. As recognizable neither TPUK nor the STC provide with any specific information and advice within their Information provision services towards the SMEs. Nevertheless, what is offered is the Export Development service, which will deal with the specific requirements of this internationalization stage. Moreover, since the SMEs may now start to consider expanding their activities to other markets (third markets), they will, require, again general information about those third markets. Therefore, this stage will be in those particular cases a connection with the beginning of the internationalization process, even if the first stage is passed over. For that reason, this service has to be taken in consideration, as it would further develop the opportunities of the companies.

6.4.2. NETWORK OF MAIN ACTORS

Continuing with this particular section of the comparative analysis, the actual arrangement of the Network of main actors of the two case countries is examined under the light of the theoretical aspects presented in the Theoretical Framework, Theory for the Export Promotion Network. Therefore, this section takes the five characteristics for a network of main actors, which was presented in chapter 3.

6.4.2.1. First Characteristic

The first characteristic of the theoretical structure of the export promotion network is that different sets of institutional and functional linkages should be established at the three stages of the export strategy process; planning and consensus-building linkages, implementation and efficiency-building linkages, and performance monitoring and assessment linkages.

In the British case, BTI provides at a national level, the planning and consensus-building across government departments, private, and other actors, as well as a voice within government for potential and already exporters and companies investing overseas. It is good to remember that BTI has in its board the representation of most of the interest actors regarding Export Promotion. Regarding this issue, each industrial sector is encouraged to develop a sector export strategy by the Government Advisory Group and for this TPUK works closely with industry and the relevant Whitehall department, to agree how

strategic goals should be implemented, for example by electing events to support or by devising promotional initiatives.

Regarding the Swedish case in terms of planning and consensus-building linkages, the Ministry for Foreign Affairs is the responsible authority for export and investment promotion activities. For that reason the Ministry for Foreign Affairs established Special Trade and Industry Promoters to unify the work of both private and public actors. In addition to this, since the STC is partly owned by the government (the public side), and the General Export Association of Sweden (the private side), the STC is able to capture both crucial perspectives regarding Export Promotion.

Moreover, regarding the implementation and efficiency building, the different Business Links provide an important advance or tool for TPUK regarding this matter for its Network of main actors. The Business Links (BLs) are the crossroad of many important actors in the different regions all around UK provide with the link between the national lower base ground and the foreign posts, which helps TPUK to create better and more efficient export assistance. Furthermore, the cooperation of the 9 TPUK Regional Offices further strengthens this link, as they are located in most of the cases within the BLs, they are the ones providing the assistance to develop the SMEs export and outward investment potential. Hence, when it comes to implement new schemes from the government and private side as well as to avoid overlaps between the different actors regarding their activities, there is a clear advance reached in the British case on this subject by this particular arrangement.

Furthermore, regarding implementation and efficiency-building linkages in the Swedish case this is realized to some extent through the STC and the Exportcentrum. The STC is the main implementing body but the Exportcentrum realizes the efficiency building linkage, as it is “one-stop-shop” for main actors. However, the coordination through this Exportcentrum is very limited. This is not only because it is a virtual place, but also because links with other actors are not completely structured and easy to recognize at the national level.

Finally, when it comes to monitor and assess these actors and their offerings, BTI's Regional Group is responsible for the operation and overall performance of the regional network. This involves a close coordination with the national representatives of local networks, such as the British Chambers of Commerce, Trade Associations, the Training and Enterprise Councils, as well as other Government Departments, etc. with an interest in the regional and local provision of Government services to business.

With regard to this characteristic in the Swedish Network of main actors, there is no clear agent in charge of this crucial activity. Conclusively, this shows that the British arrangement has rather a more clear and developed character with regard to all the mentioned factors of the first characteristic of the arrangement of the Network of main actors. Compared to the theory, the Swedish Network of main actors satisfies most the theoretical aspects of the arrangement of the Network. However, it does not completely meet with one particular and very important requirement for a successful structure of the export promotion network; the monitor and assessment of the actors and offerings of them.

6.4.2.2. Second Characteristic

On the other hand, with regard to the second characteristic for a network of export actors, there should be a definite institutional structure at the center of this web of linkages, which coordinates and facilitates interaction. In Britain, BTI, through TPUK, is the official export promotion body and its role within the network is clear and well recognized by the different actors. In Sweden, on the other hand, the STC has been given the official status concerning this matter. As in the British case, the different Swedish actors recognize the STC as the main actor.

This means that both countries present a clear arrangement of a definite actor or EPO, which has the official authority when it comes to export promotion activities including the arrangement of Network of main actors. However, in some cases the Swedish network shows some degree of confusion for example, in the international network, the Swedish Chamber of Commerce takes over the activities and main role of the STC. Nevertheless, both arrangements of the Network of main actors are compliant with the theory.

6.4.2.3. Third Characteristic

The third characteristic is that at the planning and consensus-building stage, formal and informal linkages should be established and consolidated for what is the essential partnership among the three principal stakeholder groups (government, private sector, and labor) in the national export development effort.

In Britain, the linkages between the different actors in the network seem to present a formal character. As part of the British culture, many institutional arrangements tend to be very formal in order to show seriousness and determination. A good example of this is the formal cooperation between the BCC and TPUK in a specific scheme. Hence, this makes it easier for the different actors (from both public as well as private side) to recognize the role of each actor in the network as well as to avoid possible irregularities of the Network such as overlaps.

However, as stated by theory there should also be consolidated informal linkages within the three main stakeholder groups. Within the British Network there are also informal linkages, which in some particular cases ease or improve the coordination and activities of the actors as they overcome some rigidities of the formal arrangements.

Similarly, in the Swedish case, the linkages between the different main actors are of a formal and informal character. Therefore, this shows that the two Network cases are very similar regarding this issue. However, it is important to mention that the British structure seems to present a higher degree of formality, clearing up the whole picture of each actor. Nevertheless, in both countries' network both types of establishment and consolidation of the main actors within their Network do not exclude themselves. Hence, there should be a complementation of each other.

6.4.2.4. Fourth Characteristic

Fourth, the characteristic of having a web of institutional linkages, structured to emphasize capacity of development and the internationalization of individual firms, should not simply cover trade promotion activities.

As mentioned several times, the overall objective in the British EPP has a clear and emphasized development character than just trade promotion. In the Swedish case, conversely, the overall objective of the whole operation is to promote trade more in a general way. It is true that the Swedish EPP also presents a developing character, however, is not identified as the main one.

This difference does not completely minimize the extension of the Swedish EPP or the Network of main actors, but it gives the space to create some inefficiencies as there is no full appreciation of all operation towards this particular issue. Therefore, the British Network is the only arrangement that presents high clarity and fully complies this subject.

6.4.2.5. Fifth Characteristic

Finally, the fifth characteristic for the Network of main actors is that the public sector should normally assume the leading role in initiating and energizing the linkage web and in establishing the framework within which all stakeholders will operate. This characteristic is crucial, as the government's main aim should be to improve most, if not all, national realities.

Furthermore, related to this characteristic, there should be the presence of the private sector in this particular activity in order to include all national interest.

In both British and Swedish cases of the Network of main actors, the arrangement is lead by an actor from the public sector. Furthermore, as previously mentioned, both operations have a degree of difference with regard to the involvement of the private sector within them. This denotes that all the national interest of both countries is present in the Network of main actors. However, in the British case, due to the fact that the private sector is only part of the governmental actor by its presence on BTI's board, the public sector might be a little more over represented compared to the Swedish case. Moreover, there is no clear evidence of this issue for which the only argument to make is to mention that both sides are identifiable.

Conclusively, after identifying the degree of compliance of both, British and Swedish arrangements of the Network of main actors, it is arguable that the British case presents a more satisfactory arrangement.

Finally, table 3 presents a comparative mapping of the different main actors of the British and Swedish Network. Advance of this table is that it not only contrasts the role of the main actors of the mentioned countries with regard to policy and control functions, but it also compares the characteristics and roles of different actors of the Network of main actors with regards to the previous mentioned theory with focus on the Information provision service. In this way a more comprehensive view of the different actors can be appraised.

TABLE 3: COMPARATIVE MAPPING OF THE UK, SWEDISH AND THEORETICAL NETWORK OF THE MAIN ACTORS IN EXPORT PROMOTION

	BTI	UD	MFA	MT	FT	C	TPUK	STC	EPO	FCO	DTI	NBT	CM	PO	CBI	CSE	FPE	BCC	SCC	BC	SI	SIDA	BEXA	EMBA	SBS	RDA	BL	ALMIK	NUTE	\$\$s		
Policy Recommendations			Z	Z	Z	Z	X	Y	(Z)	X	X	Y		(Z)	X	Y	Y	X	Y	X	X		X	X	X	X	X	Y	Y	Z		
Policy Making	X	Y	Z	Z	(Z)				Z				Z	Z																		
Policy Implementations		Y				X	X	Y		X	X													X	X	X	Y	Y				
Control Functions	X	Y	Z	Z	(Z)	X	X		Z	X	X	Y	Z	Z															(Z)			
Export Promotion (with focus on Information provision service)						X	Y	Y	(Z)	X	X	Y			X	Y	Y	X	Y				X	X	X							
Domestic promotion activities					(Z)			Y	(Z)																							
Advisory services to exporters					Z	X	Y	Y	(Z)	X	X							X	Y	X	X	Y		X	X	X	Y	Y	Z	Z		
Commercial Representation Abroad			Z			X	Y	Y	(Z)	X	X							X	Y	X	X		X	X	X	X						
Trade Fairs and Missions			Z	Z		X	Y	Y	(Z)	X	X							X	Y	X	X		X	X	X	X						Z
Incentives:																																
Incentives: Establishing					Z	(Z)	X	Y	Z				Z	Z				X	Y	X	X		X	X	X	X	Y	Y				
Granting	Y	Z	Z	Z	(Z)	X	Y	Y										X	Y	X	X		X	X	X	X	Y	Y				
Export Credit			Z	Z	Z																		X	X	X	X						(Z)
Export Credit Insurance			Z	Z	Z				(Z)														X	X	X	X						(Z)
New Export Development			(Z)	Z	Z	X	Y	Y					Z	Z				X	Y	X	X		X	X	X	Y	Y				(Z)	
Training			Z			X	X		(Z)									X	Y	X	X		X	X	X	X						

BTI = British Trade Council, UD= Ministry for Foreign Affairs (Sweden), MFA=Ministry of Foreign Affairs, MT = Ministry of Trade, Commerce or Development, FT C=Foreign trade council, TPUK = Trade partners UK, ST C= Swedish Trade Council, EPO= Main Export Promotion Org, FCO=Foreign Commonwealth Office (UK), DTI= Department of Trade and Industry (UK), NBT = National Board of Trade (Sweden), CM= Council of ministers and/or monetary control, PO=Planning organization, CBI= Confederation of British Industry (UK), CSE= Confederation of Swedish enterprises, FPE= Federation of Private Enterprises (Sweden), BCC=British Chamber of Commerce, SCC= Swedish Chamber of Commerce, BC=British Council, SI= Swedish Institute, SIDA= Swedish International Development Cooperation Agency, BEXA= British Exporters Association, SBS= Small Business Services (UK), RDA=Regional Development Agencies (UK), BL=Business Link (UK), \$\$s= \$ specialized institutions

X = UK
 Y= Sweden
 Z=Theory
 Source: Own (2001).

CHAPTER 7 – CONCLUSIONS & RECOMMENDATIONS

In this chapter conclusions and recommendations made, both the empirical and theoretical analyses from the previous chapters. In order to give a clear picture to the reader, we have divided the conclusions, which directly focus on the three research problems, from the recommendation, which concentrates on the main problem of the thesis.

Furthermore, we would like to mention that this chapter highlights within the conclusions all the identified SMEs' needs related to the best features offered by the British and Swedish EPPs in their Information provision service, and arrangement of the Network of main actors. The recommendations, on the other hand, present the implications and the related suggestions, in order to create a norm, for these matters.

7.1. CONCLUSIONS

As previously mentioned, the conclusions provide the reader with the solution to our three research problem areas by using the analyses realized in some of the previous chapters. Moreover, we would like to highlight that we will answer each research problem separately in order to identify the key features that influence and shape the demand and supply side of Export Promotion. We believe that in this way we will provide clarity to the reader.

7.1.1. RESEARCH PROBLEM #1:

WHAT IS THE SMEs PRESENT DEMAND FOR INFORMATION PROVISION THROUGH THE NETWORK OF MAIN ACTORS FOR EXPORTING?

After analyzing both the British and Swedish SMEs, it can be argued that they play a relevant role in their socioeconomic environments. It is true, that both SMEs present certain characteristics, which provide them with some key advantages. Although, both SMEs face the reality of a continuously changing and harsh environment which makes them being less profitable.

In addition to this and as previously identified, the number and share, only 3.9% in the UK and 4.2% in Sweden, of SMEs exporting in both countries is

low. For that reason, it is crucial to mention that these businesses are in the immense need for Export Programs.

What is mainly restraining these businesses from further developing is the lack of many crucial factors, resources and capabilities, which are crucial not only for their local presence but also international development. Therefore, what these SMEs need is the support and assistance, in the form of information and advice, which will address and solve this issue.

The Information provision service through a Network of main actors is one way the Export Programs of the chosen countries cover these matters to change and improve the reality of these businesses. However, this service is considered mostly for the first three steps in the internationalization process, it should also be considered for the following ones, taking in consideration the specific demand characteristics of these SMEs.

In this matter, what the British and Swedish SMEs require is based on many challenges of a similar nature, but with some difference implications. For instance, similarly both SMEs still have some problems in obtaining and raising capital. In both countries there are still problems regarding this issue. Hence, there is the need by these firms to receive support and assistance in the form of information and advice to cope with this need not only for the local but also international arena. However, for this purpose these companies demand that the Network of main actors will have to first present the key actors in this matter in order to provide with the best possible support and assistance.

Another issue highlighting the need of both SMEs for information and advice, such as in the form of the Information provision service concerns the issue of regulations. Both SMEs are in need of information and advice about local and international regulation to develop. British SMEs appear to be in a disadvantageous position compared to the Swedish ones in this matter, for example concerning the EU regulations. Hence, and not only applicable to the British government and other specific related actors, they have to be better arranged to provide information and advice about these issues so that their SMEs can cope with this burden.

Furthermore, a major challenge connected to the last idea is that in the Swedish case, many SMEs have a great disadvantage towards their British counterparts when it comes to taxation. Due to the fact that many Swedish SMEs are looking for different ways to overcome this problem (e.g. in terms of choosing the best possible legal status), there is the need for specific support and assistance in information and advice to cope with this issue. Moreover this issue is crucial for going aboard as a beneficial legal status for Swedish SMEs in Sweden might be inappropriate internationally.

An additional issue relating to the need for services such as the Information provision is that both SMEs similarly face the issue of dealing with strategic and long term planning for enabling them to stay alive in the long run, not only on the local but also the international level. Therefore, managers and the related personnel in these SMEs are in need of receiving assistance in the form of information and advice, on different levels, to develop their capabilities (e.g. managerial skills) and resources to a higher level so that they cannot only match their local but also international requirements. Some of the challenges in the strategic and long term planning involve the adaptation or development of new offerings (re-design of product and services).

A challenge connected to this idea is the issue of the employment situation and societal appraisal for SME's is in both countries. With some informative and advisory assistance, the SMEs in both countries have to improve their activities to better prove the advantages in working in such businesses, and so that they can attract professionals with the skills needed for future success. Hence, there is the need for Information provision as a service to also develop the SMEs internal characteristics.

Furthermore, another similar challenge for both SMEs, showing the need for Information provision is based on their dependence on MNCs in terms of sub-contracts. Due to the latest economic downward trend, many MNCs have been forced to cut back, and that have affected SMEs. Some of them have gone bankrupt while others have had a hard time staying alive find possible survival solutions (e.g. new customers, redirected to another business area). Moreover, due to their restraints most SMEs are still very much connected to the large MNCs, in the form of subcontracters, which can be due to the unique

competence they possess. Hence, unless they receive help in the form of information and advice by a specific arrangement of actors to cope with this situation, these SMEs will continuously be locked out from future development.

To finalize with the identification of the needs of the British and Swedish SMEs in the form of services such as the Information provision, it can be argued that both British and Swedish SMEs are in need of large amounts of support not only for their local but also for international activities. However, as their needs are continuously changing and differ among the different types of SMEs, the provision of this and other services must be continuously adapted to better match their particular needs.

Nevertheless, the SMEs of both countries also showed the need for assistance and support to develop the links among these businesses and other businesses, as well as, with other national agents in order to improve their position with local and international matters. For instance, this particular argument leads to the fact that many SMEs in the UK and Sweden still do not know where to go to seek for assistance when looking at the international arena. Hence, there must be a continuous effort for providing this service and other services by arranging or rearranging the structure of the Network of actors, which will better canalize the needs and interest of the SMEs.

Conclusively to end this section it can be argued that the identified needs correspond to the whole spectrum of the internationalization process. Moreover, the SMEs main needs are mainly related to the first three steps of the internationalization process.

7.1.2. RESEARCH PROBLEM #2:

WHAT IS OFFERED IN TERMS OF INFORMATION PROVISION IN DIFFERENT EXPORT PROMOTION PROGRAMS?

First of all, it is important to highlight the similar stance that both British and Swedish EPPs have when it comes to the strong focus on the promotion and/or development of their respective SMEs. For that reason, and based on the fact that the needs of the SMEs in their first internationalization steps involve the supply of initial information and advice, the two countries EPPs offer this type

of support and assistance in the form of the Information provision service. Moreover, this particular service, in both cases, presents high provision levels.

One of the most important factors for the Information provision within the two countries is that this service is offered by their respective EPOs, through their sub bodies, the Information Centre (TPUK) and Infocenter (STC). TPUK's and STC's main aim when it comes to Information provision is to offer fast and reliable information to their respective customers. However, it is important to mention that not only their SMEs, but also other types of companies and customers are targeted for this service.

Another important factor to mention is that the information and advice provided by these EPPs in this service, is free of charge, or very low, which is important according to the theoretical framework. Furthermore, the distinction between this and the Consultancy service (fully charged to the companies) is clearer in the Swedish operation than in the British one. Conclusively, what is offered within this service in the Swedish case is very well specified and it only concerns the first stages in the Internationalization of companies such as SMEs. The British case on the other hand is somewhat blurry, providing, in comparison with the Swedish one, more value added advice. The reason for this is that TPUK wants to provide a smooth transition from this to the Consultancy service, which is costly and more outside of the reach of average SMEs.

Nevertheless, what can be argued in this matter and in relation to the theoretical aspects form the Internationalization process of SMEs, is that the Swedish EPP has a gap between the very essential information and the Consultancy service. Hence, if Swedish SMEs require an in between level of depth, this operation does not provide all the information and advice required.

This means, in this case, that the step from Information provision towards information provided by the development and consultancy part is big. TPUK, on the other hand, has taken the Information provision as a more definite service. TPUK offers the possibility to its SMEs and other firms to take definite steps (e.g. find foreign representatives, agents, etc.) from the information provided.

Although another key feature of the British case is that it offers the possibility for the SMEs to learn how to conduct their own Information provision service by themselves, but focused on the first steps of the internationalization process. Thus, by teaching them, the SMEs can already create and develop the skills needed for going abroad.

An extra key feature for the STC, within its Information provision, is that it makes this service available both in a proactive and passive way. In some cases STC waits for the SMEs to approach it and in other cases it goes directly to the Swedish firms to make them aware of the export opportunities. The TPUK, on the other hand, does this only in a passive way. Hence, this leads to an important conclusion, which is that both types of ways in offerings should be used to create the necessary interest to internationalize.

Furthermore, a key feature of the TPUK regarding Information provision is that it has a clearer aim at minimizing eventual failure cases. For this reason, there is a clear attempt to redirect any internationalization efforts, if they seem to be incorrect or non-potential. This is also done by STC, but it is hidden and comes through the other Export Assistance Services.

The information supplied by both TPUK and STC covers for example topics about specific markets, customs, opportunities within certain markets, etc. Thus, the range of this information is vast, and the intention is to provide the companies with as much as possible of this information to create interest on exporting. Regarding the supply of export opportunities, this is mainly realized in the TPUK's case through the available "new business opportunities" and in STC's case through the company-matching service. However, even if both TPUK and STC present opportunities within their different topics, there is still some information and advice that can be crucial for the SMEs to be successful in their expansion abroad. Therefore, the Information provision service of these operations, in accordance with the theoretical aspects of the strategic information collection framework, should have some space for improvement, mainly by providing more into depth information.

Furthermore, in both countries, there is a system for evaluating all the services in Export promotion. However, the two EPPs present a different approach for

conducting this evaluation. BTI undertakes a regular and systematic review, by benchmarking all its services against those provided by other countries. This review is in line with the government policy on Better Quality Services. Thus, this review has a top-down perspective, going from the services themselves to the different factors involved in the service. On the other hand, in the Swedish case, the STC has a more activity-based perspective, meaning that every individual project is analyzed in order to raise the standard of all its services. Even if both countries show very different approaches, it does not mean that one is better than the other. What is most important is that their respective Information provision services are evaluated at all.

Furthermore, another crucial factor for both EPPs is the use of Internet by part of their main EPOs as the main source of information. Their respective web pages are the main gateways for assisting their companies, by including as much relevant links and information as possible, but without drawing them under a same gateway. This method even eases and facilitates the EPOs activities in this matter.

However, it is important to mention that TPUK has a somewhat more advanced Information provision through its web site when it comes to finding information of a more specific nature. Nevertheless, in both cases there is also some advice given by the staff at the different locations. For that reason, it implies that in the service of Information provision the information and advice has to be provided in both ways to offer the best possible support and assistance.

Finally, TPUK has a developed information management system, which provides its Information provision and advice service with a high verification level, while STC, on the other hand, realize this on an ad-hoc basis, which makes it difficult to fully evaluate the verification of the provided information and advices.

7.1.3. RESEARCH PROBLEM #3:***WHAT ARE THE CHARACTERISTICS OF THE NETWORK OF MAIN ACTORS IN DIFFERENT EXPORT PROMOTION PROGRAMS?***

A similarity in both Swedish and British EPPs regarding the Network of main actors is that there are various actors assisting companies in their internationalization process. This makes it important to present a clear and optimal coordination between those actors, regardless if they are public or private, in order to provide the best possible services in Export support and assistance. As previously mentioned the arrangement of the Network of main actors determines how different Export Assistance Services are provided. Thus, depending on the degree of development of this structure it would determine also the quality of the offered services.

In both countries, there is a main and central actor responsible for this coordination and delivery, at the national level, of the major services such as Information provision. In Britain BTI through Trade Partners UK brings together all trade promotion and development operations, and in Sweden the Swedish Ministry of Trade, through the STC is the official coordinator of export promotion. According to theory this arrangement is correct, as the public sector should normally assume the leading role in initiating and energizing the linkage web and in establishing the framework within which all stakeholders will operate, as well as by the characteristic that there should be a definite institutional structure at the center of this web of linkages, which coordinates and facilitates interaction.

Moreover, there are some differences between both operations. One important difference is that that STC is a semi-public actor, while TPUK is a fully public actor even if they have representatives from the private side on the BTI's board. This means that STC can have a broader perspective on how to coordinate the network, meaning that there is a greater chance that STC takes into consideration the private actors interests. In the British case, on the other hand, there is a risk that TPUK may be more drawn towards using the other public actors instead of the private ones, since TPUK itself is a public actor.

Furthermore, it is important to mention that in the British operation, there is a high degree of formality in its operation compared to the Swedish case. Through different schemes, the British operation unifies and coordinates efforts with other actors. This characteristic is also present to some degree in most Swedish arrangements of the Network of main actors. However, a key issue and in accordance with the theory is the fact that informal linkages should also be established and consolidated among the most important national sectors and actors. Thus, the previous characteristic leads to the conclusion that both Networks must continue with their formal ways of linking the main actors, but also to further work and develop informal linkages with other main actors.

Another important difference between both Networks is that the British operation presents a clear developing character. The Swedish case, on the other hand, has rather a more general promotion character. Hence, this might provide some space for uncertainty or discoordination in this matter. Theoretically, a web of institutional linkages should be structured to emphasize capacity of development and the internationalization of individual firms, not simply trade promotion.

With regards to the issue of planning and consensus-building, both systems work with all the national sectors in order to coordinate all the main actors. Nevertheless, it is remarkable that the British operation works with each industrial sector to develop a sector export strategy.

Moreover, regarding the implementation and efficiency building, the British and Swedish Networks present some similarities and differences. With respect to the similarities, both have the major institution in charge of the implementation and coordination of the activities. However, the major difference arises, due to the fact that Swedish system uses the virtual meeting place, Exportcentrum, which provides a limited coordination. Hence, other Swedish actors are not completely structured within a comprehensive network giving some degree of unclearness to the national level. In the British operation to ensure that all interested parts of the government work together, the Governmental Advisory Group further coordinates the support provided to exporters. Each industrial sector is encouraged by the Group to develop a sector

export strategy. From this, TPUK works closely with industry and relevant Whitehall department to agree on how strategic goals should be implemented.

Nevertheless, when it comes to monitor and assess these actors and their offerings, the British case presents an important aspect for its Networks. There is a review it makes every five years, which opens up the possibility for them to evaluate the networks functionality and change it if necessary as well as to ensure that the network provides UK exporters and investors full weight. A similar review is not executed in the Swedish case. In addition to this, the British system has a Regional Group, which is responsible for the operation and overall performance of the regional network. In the Swedish case, the National Board of Trade, which acts as the main investigation and advisory body for the Ministry for Foreign Affairs. However, its range of activities is more in general trade matters than in the monitoring of the Network of main actors.

For that reason, it is possible to conclude that with regards to the Network of main actors, the British structure presents a more developed and compliant arrangement with what the theory ascribes for the characteristics of the Network of main actors. For that reason, it can also be argued that this current arrangement of the Network of main actors presents key features for the offering of services such as the Information provision.

Nevertheless, and outside of the theory there are other main characteristics, which prove the greater level of development of the British structure. Some good examples are the links between the Business Links and educational institutions such as Universities at the regional level. At the International level the British Network of main actors also presents some key features of best practices as it includes a review of that particular network to identify whether the targets and the resources employed better satisfy their particular objectives. In addition to this there is the development of a manual for realizing Export support and assistance activities at this level.

7.2. RECOMMENDATIONS

The preceding conclusions create a set of implications for their respective EPPs in general and specific matters relating to the SMEs' internationalization process. Nevertheless, certainly, the next presented recommendations or

strategies to improve Export Promotion in any country, which are based on the cases' implications, will vary depending on the SMEs' characteristics such as their line of business, development stage (from the product life cycle point of view), technological level (including innovations), types of leadership, and business culture.

For that reason, this section aims at presenting a set of recommendations applicable to any Export Promotion Programs, which have a similar demand structure to the form of the British, and Swedish SMEs' characteristics and needs. Moreover, these recommendations are focused specifically on the EPP's Information provision service and the arrangement of the Network of main actors, to answer our Main Problem's question.

MAIN PROBLEM:

How to Improve Export Promotion towards SMEs, with focus on Information provision and Network of main actors.

Therefore, the next presented recommendations aim on building an optimal offering of the Information provision service and the arrangement of the Network of main actors by including the best features from the both country cases as well as the theoretical background in this matter.

Traditional strategies for exporting cover three main stages. The first one is related to the SMEs by presenting a solid performance in the local market. Many companies may not be in this stage, so they have to first work on it than attempting to go abroad. Secondly, SMEs must start with the institutionalization process by establishing linkages with local support and development institutions at the local level in order to overcome the SMEs internal and external constraints. Finally, these businesses have to aim for an export market and take orderly and logical decisions in order to strengthen their foreign position²⁰⁴. Consequently, covering each strategic stage with focus on the mentioned areas, it will satisfy with the purpose of this project. Nonetheless, it is important to mention that these strategy stages are compliant with the different steps in the Internationalization process of SMEs.

7.2.1. FIRST STRATEGIC STAGE

This first step involves the development of SMEs characteristics, somehow far from the direct export assistance, the whole supporting system in Export Promotion has to have this character. The reason for this is that if an SME is well developed in all its activities, resources and capabilities, the internationalization step should follow, naturally or immediately.

Therefore, first, the Information provision to be included by the Network has to present a specific characteristic, which is to create the interest or hint to the SME to go abroad. It is certain that the Information provision for exporting is not fully covered or aimed in this early stage; however, it has to be there. For instance, Export Information provision should be provided to SMEs in a degree that will be limited or that it would not overwhelm or complicate the companies in their daily and local activities, but create the idea of internationalization. As previous identified, a best practice performed by the STC in this matter is that it presents a proactive way on reaching companies regarding the presentation of export opportunities.

Another key issue regarding this first stage is that the whole Network of actors in Export Promotion must definitively encompass a developing character. Regarding this matter, it is important to possess this characteristic since just a trade promotion character will not necessarily lead or create to the mentioned interest or background for internationalization. The British EPP possesses this developing character for boosting trade, which ensures that any forward steps in export assistance will be based on a developed background of all its assisted companies.

Furthermore, in specific, EPPs should also provide an evaluation of the company willing to go out of its boundaries, internally as well as with respect to its external environment. Some appropriate models from the presented Information theories that could accomplish with this task are the Value chain analysis, and Five Forces models. For that reason, it is important that an EPP will present these particular characteristics with regards to Information provision.

²⁰⁴ Ingemar, Victor, Class Lecture, October 2000

In addition to this, there should be a complementation of the different actors specifically dealing with the local and international development, in order to achieve an integrative program that takes care of the previous points, in-between or middle and after export implications. In both Swedish and British EPPs, this is taken into consideration as actors like ALMI, in the Swedish case, and SBS, through the Business Links, in the British case, provide the national and regional Networks with this nature.

For that reason, any EPP in the attempt to be optimal should also take the developing approach with regards to the Network of main actors and Information provision. Furthermore, some theoretical aspects that address the Network of actors and that should also be taken into account are planning and consensus-building linkages, implementation and efficiency-building linkages, and performance monitoring and assessment linkages.

7.2.2. SECOND STRATEGIC STAGE

The second stage, on the other hand, involves SMEs in the process of starting with the institutionalization process. This stage includes SMEs needs as they are in the search of information, which will enable them to evaluate whether there are any benefits of going abroad. Moreover, this stage includes the questioning of why, where and to some extent how to internationalize.

Consequently in this stage, any EPP should start providing, through the Information provision, the general knowledge involving the different actors, which have the leading roles in the assistance and support of companies that are in the process of going abroad. Thus, this information has an educational character, as it will provide the basic knowledge about who is involved and what is offered. The SMEs of UK and Sweden present some degree of uncertainty in this matter, as they often approach actors, which do not have the direct role in Export Promotion. For that reason, it is crucial for any EPP to work on this issue in order to increase the degree of knowledge and appreciation of the actors and their offerings.

Nonetheless, still covering the issue of Information provision, EPPs have to offer answer of three main questions to the SMEs, why, where and how to go

abroad. The reason of answering these questions is that they will directly present the opportunities of internationalization. Hence, the EPPs should provide information comprising among others, market and sector opportunities. More in specific, in the Swedish and British case, they provide this information within specific topics, new business opportunities and company-matching, which deals with the provision of opportunities in the form of foreign counterparts seeking potential suppliers in both countries. The same is provided by the TPUK through the topic new business opportunities.

Moreover, TPUK, offers for the answering of the where question, a set of particular markets (e.g. USA, Canada, etc.) that should present fewer difficulties for SMEs in going abroad. Although, depending on the degree of development of the SMEs, another set of markets will be offered (e.g. Brazil, China, etc.), presenting higher levels of difficulty but also higher levels of benefits in doing business with. Despite this best feature, the British EPP presents another advance in this matter, as it provides with a sectoral focus to the operation. In this way taking in consideration the competitive advantages from the UK, rather than looking at markets in general, are matched to opportunities in the sectors abroad where the British characteristics poses an advantage.

On the other hand, for the answer on how to internationalize, Information provision should also cover the different ways a business like SMEs should enter to a particular market. Furthermore, they will have to be aware of adapting their attitudes, values and capabilities. For that it is also recommended that EPPs seriously provide with the information concerning all intercultural characteristics like languages, traditions, and culture, among others abroad. As identified, both export operations provide to some extent advice on the most appropriate ways to enter specific markets. Foremost the British case offers through BTI's Advisory Group the advice, which addresses on each of the previously covered questions. Although, TPUK through the BCC, also provides with the guidelines on how to answer each of the above-mentioned questions so that the SMEs can realize this activity by themselves.

For that reason, any EPP in the attempt to improve its export assistance with a focus on Information provision should present the mentioned characteristics.

Some theoretical models (e.g. PEST with its variations, the market screening and selection) could accomplish or improve this particular task. However, the information provided should be presented in a way that makes it easy for the SMEs to find and retrieve what is relevant for them. One way to assist on this, is that the information can be provided separately, covering different topics, so the SMEs appreciate the relevance and difference of each topic.

In addition, SME will have to work on deciding the right product or services to be offered in the potential new market by possibly changing or differentiating them to match with the opportunities' characteristics and requirements. Therefore, SMEs will have to create an international market plan. However, due to their constraints they demand the assistance for this activity. Therefore, EPPs through the respective actors should focus on solving some of these requirements. For example, there should be a coordinated and clear Network of actors, which could consider among other things the SMEs' financial necessities.

Regarding this last issue, there are also some requirements that arise in the form of leadership. EPPs must assist and support SMEs' entrepreneurs to work on obtaining or creating the vision and the internationalized business concept for exporting. Hence, EPPs have to work on developing the SMEs own international background in order to obtain the knowledge of the major issues happening for such activity as well as the specific market or markets they want to go to. Therefore, the presence of a Network of actors to support and accomplish with the requirements and opportunities must be present.

Nevertheless, EPPs, additionally, should consider the time and effort to simplify and improve their institutional channels, not only locally but also internationally. In this matter, the British case presents a special governmental Program aiming to ensure that there is an accomplishment of the related international export objectives and targets as well as to ensure that the overseas posts and teams are suitably resourced and properly managed and deployed.

However, this idea can be linked to the theory of Network of main actors, where informal linkages within the three main stakeholder groups should consolidate the involved parties. It is important to mention that the British

structure seems to presents a higher degree of formality between all the related actors than in the Swedish case. Furthermore, both cases present informal linkages, which in some particular cases, ease or improve the coordination and activities of the actors as they overcome some rigidities of the formal arrangements. For that reason, any EPP should work on developing both formal and informal linkages to establish and consolidate the Network of main actors since both linkages complement each other.

7.2.3. THIRD STRATEGIC STAGE

This strategic stage includes SMEs with the aim to render their export venture by establishing their efforts and take orderly and logical decisions to strengthen their foreign position. In other words this stage represents the active and committed involvement of the SMEs abroad.

As a result of that, SMEs start with the attempt to increase their sales abroad requiring a more suitable organizational structure. For that reason, there has to be an establishment of this factor, which eventually might lead to the SMEs possibility to strengthen their foreign positions.

Information provision, as a tool for this development can realize this providing information regarding the institutional settings within any given market. The institutional settings decide the framework for how businesses have to be conducted, according to the norms and values within the market. The legal framework in a market sets the formal requirements, however, the above-mentioned norms and values set up the informal requirements. For that reason, the Information provision has to include both the formal as well as the informal requirements in order to develop the SMEs organizational structure, so it matches with this stage's requirements. A Theoretical aspect that could assist to accomplish this is the Institutional Network Approach.

Regarding the formal aspects, TPUK better covers these issues within its Information provision both through a wider range of information as well as the advice given. While STC, on the other hand, also offers this information and advice until a certain extent within its Information provision and then directs SMEs to its export consultancy service, both when it comes to a more extensive Information provision as well as advice given. However, both actors lack, to a

certain extent, the depth and range of the Information provision when it comes to the informal requirements. Nevertheless, these aspects are provided through their respective consultancy services.

For this reason, EPPs should provide the SMEs with information regarding both the formal as well as the informal requirements, although the informal requirements should only be presented to a certain extent. When it comes to the formal aspects, EPPs should provide them within the advice in the Information provision service. However, when it comes to the informal requirements, these should be provided within the Export Consultancy service, since they are of a more delicate but also crucial nature. Another reason for being within this service is that these requirements are independent and directly connected to each assisted SME and not of a common nature for a group of SMEs. As mentioned earlier each SME has specific needs and they are in most of the cases not applicable to a group of companies.

Furthermore, in this stage SMEs are also in the committed involvement position for which they will start to search for new markets to further expand. For this reason, these SMEs will require information and other services, which are covered in the second stage in the internationalization process. For that reason, the Information provision service should be considered as an ongoing process.

On the other hand, with respect to the Network of main actors, EPPs can assist and support SMEs in this stage, by bringing together different actors which will be the ones providing the organizational development for going abroad. Among other things, the different Networks should help SMEs and other types of businesses on analyzing together with them, which are the best possible ways to enter to a country up to take choices on how to allocate and reallocate their resources.

Nevertheless, another key issue on this stage involving the Network of main actors is the further strengthening of links among different actors for the specific matters. This can be realized by building networks with other SMEs, specific public and private associations or bodies in order to take advantage of knowledge or experiences in the internationalization process. In the Swedish

case, the STC provides this type of assistance through forming special groups (the so-called Export Groups) composed of SMEs involved in exporting.

Another way to assist SMEs in their internationalization attempts is in making a lobby in their favor to find better ways to do business abroad. Hence, this will imply that there will be a great value given to the International Network. However to have a coordinative structure, the International Network will have to be linked with the Regional Network as it is the base ground of SMEs.

In the British case, the main challenge during the last years has focused on a unified market strategy and in developing joint objectives and targets by the network of main actors worldwide. These objectives and targets are mostly focused on overseas posts and teams, but also apply to the other UK actors. Targets covering services to British business by this network are to respond promptly and qualitatively to inquiries, provide sales leads, and more than satisfactory services to companies on outward trade missions and at trade fairs and exhibitions. For these reasons, any EPP should also work with and in its Network of main actors, to better satisfy the needs of the SMEs in this stage.

Conclusively, there are many factors in the form of Information provision and Network of main actors that SMEs and their supporting EPPs, must seriously consider before embarking into the internationalization of their business. Some of these requirements could take various months and even years, for which SMEs should receive assistance and support that, will account them before going abroad. Whether any of these characteristics are not meet, they could jeopardize the whole future scenario for the SMEs in their national socioeconomic environment. For that reason there is a need to improve Export Promotion in these subjects towards them.

Nevertheless, to finalize the recommendations, a table presenting the degree of importance and the purpose of the Information provision and Network of main actors is made going through the three strategies stages for SMEs.

TABLE 4: DEGREE OF IMPORTANCE AND THE PURPOSE OF THE INFORMATION PROVISION AND NETWORK OF MAIN ACTORS

	Information Provision		Network of main actors	
	Degree of importance	Purpose	Degree of importance	Purpose
First strategic step	1	Creating the interest	2	Integrative coordination for development
Second strategic step	4	Providing the opportunities	4	Support to provide the opportunities
Third strategic step	3	Render the opportunities	3	Further support to render the opportunities

Source: Own (2001). Note: From a 1-4 scale the table shows what is the degree of importance of each factor in each internationalization strategy stage.

CHAPTER 8 – FUTURE RESEARCH

As clearly identified in the beginning of this thesis, our studied subject presents a high degree of complexity. For that reason, there are some aspects that escaped from our analytical research. Some of those aspects could have value added significant value to our research and other only marginally. As a result of that, in this chapter we aim to present some of the crucial aspects we estimate could have some degree of influence and value towards our topic.

8.1. THE MEASUREMENT OF THE REAL IMPACT OF EXPORT PROGRAMS ON COMPANY DEVELOPMENT

The governmental EPPs, which have cost minimizing and return maximizing characteristics, are under a deep scrutiny of their arrangements in order to justify not only the public, but also the private involvement generally in trade development and promotion; this also applies to exports.

The opening and penetration into foreign markets is believed to offer a number of benefits to individual firms:

- The ability to exploit economies of scale and diversify risk,
- Greater exposure to international competition, and the ability to acquire knowledge of new production methods, designs, management techniques and business opportunities,
- A foreign presence may open up new markets, particularly for service companies, and
- There may be beneficial externalities for the firms as well, if knowledge gained from foreign participation is passed on to non-participants

Nevertheless, despite the mentioned benefits, there is nothing that guarantees that such benefits can be obtained by individual firms, but taken together they suggest that exposure to foreign markets might be expected to improve their performance. Company performance is taken in the form of productivity since its growth has a greatest long-term effect on national living standards²⁰⁵.

²⁰⁵ British National Institute of Economics and Social Research (March 2000).

Econometric evidence summarized by Nigel Pain and Dirk Willem Te Velde stressed the following. Exporters and MNCs tend to be larger and more productive on an average than other firms. But most of these differences emerge prior to the final entry of them into new foreign markets. Another remark made is that Exporters do not experience faster growth of productivity than non-exporters, other than in the immediate aftermath of the entry into foreign markets. However, plants that exit from export markets perform significantly worse than those that continue to export²⁰⁶.

In addition, it is mentioned that the benefits of exporting appear to be felt through a faster growth of sales and employment and a higher probability of survival. Moreover, this only ensures that trade enhances overall allocative efficiency. Outward investment does appear to improve profitability of parent companies, but the impact on their productivity varies by country and industry.

Finally, it is also mentioned that there is no evidence that promotional policies affect the probabilities of market entry and exit, or that corporate performance varies according to export intensity. Otherwise there is evidence that there are costs involved in market entry, with exporters having a higher probability of exporting in future years than non-exporters²⁰⁷.

It would appear that the primary benefit of trade and export promotion policies and programs is that they may improve the overall level of efficiency in a national economy. Moreover, there can be no presumption, taking the mentioned econometrical studies, that individual firms entering foreign markets will automatically perform better than those that do not. For that reason, we recognize that there has to be future research in this matter to assure that any trade and export promotion policies and programs are worthy to be done at all.

²⁰⁶ British National Institute of Economics and Social Research (March 2000).

²⁰⁷ British National Institute of Economics and Social Research (March 2000).

8.2. AN EFFECTIVE MEASUREMENT OF THE EXISTING GOVERNMENTAL SCHEMES

Finally, there is another issue we believe can be relevant to take in consideration for future research. The effective measurement of existing governmental schemes is to be crucial as the majority of the recent empirical studies on the performance of firms that internationalize, heavily relies and trusts on the own company assessments. This leads to the problem that if their conclusions are to be taken as a basis for designing or assessing government policy they have to be of the highest analytical matter.

Consequently, there must be a more systematic assessment of the comparative performance of exporting firms and test whether their performance affects non-exporting companies. In addition, there must be a future study that examines the effects of overseas investment on the performance of parent companies and their affiliates and the extent to which such investments already overcome the search costs associated with trade²⁰⁸.

²⁰⁸ British National Institute of Economics and Social Research (March 2000).

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Mr. Per Wallén Meeting September 2001

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APPENDICES

APPENDIX 1

A THEORETICAL PRESENTATION OF THE MAJOR EPOS

Main or Central EPO

The role of the EPO itself can be summed up simply as “putting domestic capability in touch with external trade opportunities”²⁰⁹. Moreover, the central Export Promotion Organization (EPO) is a high-level organization that could take the form of a council, or commission, whose function would be of the coordination of export promotion policy undertaken in the country by both public and private sector²¹⁰.

This organization is endowed with the necessary authority to engage in all matters related to the development of not only export but also foreign trade within a country²¹¹. This is an important factor so that other governments and organizations will adequately recognize it.

Furthermore, it would have the main responsibility for the definition and revision of export policy whenever appropriate and be equipped with a technical secretariat whose function would be to execute and implement specific Export Promotion Programs (EPPs) and projects for implementing export policy. The specific functions of the secretariat are operationally important and can include the advice towards government in all matters related to export promotion, advice and assistance for the business community in matters related to export promotion²¹².

Another area in which the views of the EPO should be taken into consideration is in the establishment of the revision of national schemes of export incentives.

The country’s international trade agreements area is also another function, since there is a need for any country to have adequate knowledge of the likely

²⁰⁹ New Zealand Trade Development Board (1999).

²¹⁰ Hibbert (1990).

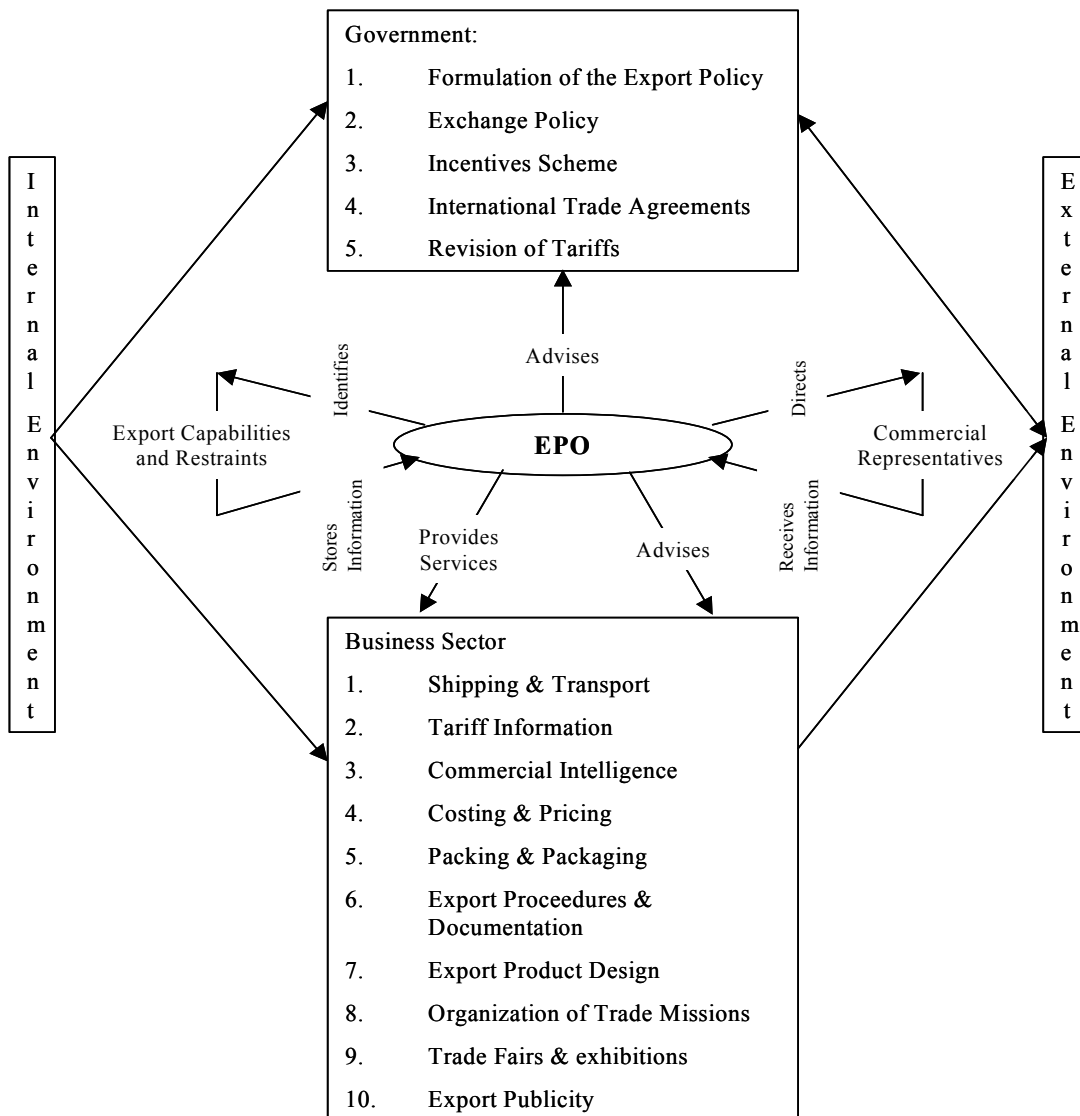
²¹¹ Hibbert (1990).

²¹² Hibbert (1990).

products that should be included in any trade agreement. Finally, the revision of tariff systems is another activity that should be undertaken by the EPO²¹³.

The EPOs basic form will depend on the overall development degree of the country and its administrative infrastructure, the diversity of export products, the export prospects as well as the economic importance of the private sector of the country. For the format of an EPO, please see the following figure.

FIGURE 22: MAP OF THE MAIN OR CENTRAL EPO



Source: Hibbert (1990).

²¹³ Hibbert (1990).

A reason for the lack of success and credibility of many EPOs has been that they have only indirect influence on a key promotional instrument which is the commercial representation abroad. This is one of the most, if not the most, resource intensive of such instruments of an EPO.

Within the context of a broader definition of trade promotion, the challenge confronting the national EPO is to develop a new set of services, or to facilitate other, specialized export support institutions providing such services. These services can be called Second Generation services. The orientation of such Second Generation programs should be towards, first, developing the overall competitiveness of the enterprise, rather than increasing its immediate export sales. Second, supporting industry associations and clusters of firms, rather than concentrating on the individual enterprise. Third, providing long-term support, rather than one-off assistance. Fourth, developing capabilities, both production and managerial, rather than simply marketing competence. Fifth, promoting technology acquisition, investment and subcontracting, rather than focusing on just getting the goods out of the country'.

Core services offered under this second generation approach would include; needs analysis (national and sectoral), export counseling and mentoring, education and business training, research and publications, and advocacy.

To finalize we present a list of Critical requirements for the success of a national EPO. These are:

External requirements

- A national commitment to export development,
- A national export development strategy,
- Consensus on, or a shared vision of, the future, and
- Appropriate institutional structures and linkages.

Internal requirements

- Private-sector orientation,
- Autonomy,
- Adequate and predictable funding,
- Professional staff,

- Relevant services,
- An organizational strategy and work program (with set targets),
- Flexibility for adapting to a changing environment, and
- A mechanism for ongoing evaluation.

Others requirements

- A mixed public-private sector nature, ensuring that operations have private-sector aims and methodologies.
- Independence from the political authorities, guaranteeing continuity.
- Mechanisms for financing in some measure independent of central government, requiring coverage by the private sector of part of the operational budgets.
- Salary structure different from that of public administration, encouraging retention of expertise.

Local and National Chambers of Commerce

Hibbert describes most chambers as providers of trade and market information services. This information is obtained by these institutions from a variety of sources, such as national government departments, trade and industry associations and other chambers of commerce. Depending on the size of these organizations they can offer their members more or less detailed information on various subjects such as export incentives, customs and foreign trade regulations and marketing information among others²¹⁴.

Most chambers of commerce are also the responsible agent for the issuing of certificates of origin, which are necessary for most export operations. In some cases this task is delegated by their national governments, so that they are obligated to conduct this activity.

By using the network of correspondents at home or abroad, chambers of commerce can help their members to find potential agents or representatives in different parts of the world. Additionally, the chambers can act as a channel for transmitting knowledge from experienced members to new exporters. Many chambers can also help to organize and realize shows or presentations at the stands in various international trade fairs, or to encourage various firms to take

²¹⁴ Hibbert (1990).

a group stand. The chambers often undertake the shipment (make the necessary transport and other arrangements) of their member's goods to be exhibited and offered at these fairs.

Chambers often take useful initiatives in Export Promotion when the interests of their members are at stake and insufficient attention is being paid to a problem or issue by other export promotion bodies. For instance, many chambers have set up courts of commercial arbitration²¹⁵, or else they offer an arbitration service²¹⁶. Chambers have also taken action for constituting quality control programs and testing facilities for member of other interested firms. Moreover the use of this service by non-member firms is charged.

Finally, sometimes chambers of commerce have been delegated by their local governments to conduct semi official commercial functions. These functions target for instance in export prices controls, as well as supervise the selling prices in the local market. All chambers advice public authorities on legislative ands other issues involving trade activities²¹⁷.

Industry and Trade Associations

Industry and trade associations are the third main actors in Export Promotion. In any country there is always one central and other specific associations. Some central industry and trade associations are able to provide a wide range of information for problems arising from foreign trade. Many of these associations keep a well-stocked reference library for the use of their members. Others operate a press cutting service, or keep informational indexes on specific subjects of the interest of their members. Nevertheless, usually only the central industry associations, that have the appropriate weight from their direct membership, among other things, supply exporting assistance. Furthermore, industry and trade associations can organize or participate in overseas trade missions frequently, but this depends on their size and relevance. In addition, these organizations teach export techniques and languages.

²¹⁵ www.ccs.cl

²¹⁶ Hibbert (1990).

²¹⁷ Hibbert (1990).

Many of the other activities of these associations are aimed at promoting contracts between home and foreign businessmen. Most central industry associations transmit requests or tips for products received from foreign countries, via the network of specialized industry associations.

The most important activities of these Export Promotion agents are to provide the advice or perception of trade policy to the government. This issue is usually an important function of the central industry association²¹⁸.

Standardization and quality control are also mayor activities conducted by these organizations. In doing so they play an increased role in international trade and some sectoral associations devote much attention to it.

Many associations also support their members by contacting foreign buyers. In this way they channel the requests from their clients. Methods currently being employed to get manufacturers more interested in exporting include calling special conferences, at which the national need to export is explained and problems and other issues are elucidated.

Embassies and Foreign Posts

Government departments employ diplomatic staff overseas in embassies and other foreign posts. These officers are placed to obtain political, economic and commercial intelligence of value to the business community of their local countries.

Their interest is in overseas markets. Such posts internationally, in addition to collecting a wide range of commercial information can also obtain personal contacts and obtain useful information about the way in which business is conducted in those markets. In this way the most profitable and appropriate codes of conduct can be offered to businesses wishing to realize activities in those areas.

²¹⁸ Hibbert (1990).

APPENDIX 2

MAIN BRITISH ACTORS

Business Links (BL)

www.businesslink.org

The network of BL operators in England delivers independent and impartial business advice, information and a range of services to help small firms and those trying to start up new businesses. BL advisers can help UK firms define their long-term business goals as well as offering practical guidance, like helping you draw up a business plan or cash flow forecast²¹⁹.

The Small Business Service (SBS) is the main operator of this network located in Wales through Business Connect, in Lowland Scotland through Small Business Gateways, in Highland Scotland through Business Information Sources, and in Northern Ireland through the Local Economic Development Unit²²⁰.

Business Link authorities work closely with the regional trade development director to ensure that local perspectives are reflected in regional strategies and that the trade development staff in the Business Link is utilized to best effect.

In the past the BLs presented some targets for income generation and sales of services chargeable. Moreover, this issue has been eliminated as there were some distortions generated by this²²¹.

Devolved Administrations

The current arrangements within Scotland, Wales, and Northern Ireland: governments work in the context of national policy and with direct involvement in strategy formulation. Each of the devolved administrations through Scottish Trade International (STI), Wales Trade International (WTI) and Trade

²¹⁹ www.businesslink.org

²²⁰ www.businesslink.org

²²¹ www.fco.gov.uk

International Northern Ireland (TINI) is represented on the BTI Board and on the interdepartmental, coordinating Government Group.

Each of these provides its own supplementary program to suit local businesses, though also accessing British export promotion and development programs.

For example, businesses may also apply for grants under any of the national schemes, which Trade Partners UK offers to UK businesses e.g. overseas trade missions, exhibitions, and the Export Explorer scheme²²².

British Exporters Association (BEXA)

www.bexa.co.uk

BEXA is an independent national trade association representing all sectors of the export community. Established in 1940 as the National General Export Merchants Group, it became the British Export Houses Association in 1961. With the admission of manufacturers into membership, it assumed its present name in 1988²²³.

This association is open to all companies and other organisations resident in the UK who export goods or services, or provide assistance to such companies in the promotion and furtherance of export activities to be members²²⁴.

BEXA's activities are also geared to the requirements of British Export Houses that is non-manufacturing exporters. Uniquely BEXA bring together the exporters interests of manufacturers, export houses, bankers and export credit insurers²²⁵.

The main benefits of the membership of BEXA are, that this association lobbies for Exporters at Westminster and Brussels and meets UK decision makers. In addition, it provides an information exchange for members as well as provides an informed forum for British Exporters²²⁶.

²²² British Trade International (March 2001).

²²³ www.bexa.co.uk

²²⁴ Ibid.

²²⁵ Meeting with Mr. Hugh Bailey.

²²⁶ www.bexa.co.uk

Foreign & Commonwealth Office (FCO)

www.fco.gov.uk

FCO's main mission is to promote the national interests of the United Kingdom and to contribute to a strong world community²²⁷. In addition this governmental department is responsible for overseas relations and foreign affairs, through our headquarters in London and our Embassies, High Commissions and Consulates throughout the world. The Secretary of State for Foreign & Commonwealth Affairs (Foreign Secretary) is responsible to Parliament for the work of the FCO²²⁸.

FCO is responsible for the flow of advice on all aspects of foreign policy to the Foreign Secretary, and for the management of the FCO and Diplomatic Service. Also it is responsible for the formulation of policy and the deployment of resources within their area of command. Commands fall into three categories; geographical (e.g. Europe, Africa and Commonwealth), functional (e.g. International Security, Public Services) and administrative (e.g. Resources, Personnel and Security).

Department of Trade and Industry (DTI)

www.dti.gov.uk

The Department of Trade and Industry is the UK Government department with the overall aim "To increase competitiveness and scientific excellence in order to generate higher levels of sustainable growth and productivity in a modern economy."²²⁹

For this DTI offers a wide range of information and services for consumers, small businesses, employees, and anyone with an interest in the world of work²³⁰.

²²⁷ www.fco.gov.uk

²²⁸ www.fco.gov.uk

²²⁹ www.dti.gov.uk

²³⁰ Meeting with Christopher Moir.

Some of DTI's objectives are; to promote enterprise, innovation and increased productivity; to make the most of the UK's science, engineering and technology; to develop strong, competitive markets within a regulatory framework which promotes fairness and sustainability; enhanced competitiveness of Britain's companies through overseas sales and investments; and a continuing high level of quality foreign direct investment²³¹.

For this DTI is subdivided in various department of interest like the Department of Energy, Employment Relationship, etc. In the past DTI was the governmental body in charge of trade promotion, however UK businesses were dissatisfied with it as it offered too many and complicated schemes. Hence, after many reviews it was agreed that there was the need to unify DTI's work, which was focused on the local level, with FCO work, at the international level. The result was BTI. Moreover, DTI's role in industrial or business development will continue and it will remain as a lobbying entity, as well as a regulator and supporter of UK businesses²³².

The British Council (BC)

www.britishcouncil.org

BC's purpose is to enhance the reputation of the United Kingdom in the world as a value partner. It achieves this, by creating opportunity for people worldwide. BC's main goal is to be recognized as the world's most effective international cultural relations organization. Thus, the BC is the UK international organization for promoting educational and cultural relations²³³.

In everything BC does, it values individuals, promotes internationalism and demonstrates integrity. Among other things, BC realizes scientific educational research, constitutes the bridge between Universities and other educational institutions, bids on world educational and cultural contracts and provides with educational development²³⁴.

²³¹ www.hm-treasury.gov.uk

²³² Meeting with Christopher Moir.

²³³ The British Council, Annual Report 2000-01

Originally, the BC was founded by the UK Government in 1934, but nowadays is semi private institution. BC still receives public funds, but it makes approx. two thirds of them by their own activities and contractual activities. Legally is neither a dependant of any public body. Furthermore, some FCO authorities compose CB's board of directors. BC is register as a charity, making it the largest charity institution in the UK. Finally, it is worth mentioning that in some countries the BC has its own independent facilities, but in other it is present in the UK embassies²³⁵.

The British Chambers of Commerce (BCC) and other chambers.

www.britishchambers.org.uk

The BCC is a national network of quality-accredited Chambers of Commerce, all uniquely positioned at the heart of every business community in the UK²³⁶. These accredited Chambers are local, independent, non-profit making and non party-political organizations, funded by membership subscriptions.

Currently there are over 135,000 UK businesses benefiting from the BCC network. These companies range from SMEs to regional subsidiaries of multinational companies, in all commercial and industrial sectors²³⁷.

The main benefits of being a member of the BCC are all geared to helping businesses to succeed and grow. Through its large management support team the BCC offers business training, information resources, networking and savings on essential overheads, all of which are tailored made. Also it best supplies great deals on a range of products and services, including Stakeholder Pensions, Healthcare, Legal Protection and Digital Certificates to its members. Moreover, since the BCC has a presence at the local, regional and national level, it provides with a powerful voice and influence on government ministers and officials, MPs, and other decision makers and opinion formers of the UK²³⁸.

²³⁴ Meeting with Mr. Michael Willson.

²³⁵ Ibid.

²³⁶ Meeting with Ms. Isabel Baumber.

²³⁷ www.britishchambers.org.uk

²³⁸ www.britishchambers.org.uk

The BCC also plays a key role in assisting and developing existing or potential exporters. Ms. Isabel Baumber claims that there is simply no better route to start in the global marketplace than with the BCC²³⁹. Trade Partners UK provides support to companies to undertake export-marketing research, which is managed by the BCC. Hundreds of companies each year access free, professional and independent advice of this organization about researching export markets and receive financial subsidies of up to 50% towards marketing research costs²⁴⁰.

Finally, it is good to mention that there is approx. 65 extra chambers of commerce, which are independently from the BCC. These organizations are also based on memberships and realize several types of services towards its members²⁴¹.

Confederation of British Industry (CBI) and other Trade Associations

www.cbi.org.uk

Founded in 1965, the CBI is a non-profit making, non-party political organization funded by the subscriptions paid by its members. The CBI is the UK's premier independent business organization. It exists to ensure that the government of the day, the European Commission and the wider community understand both the needs of British business and the contribution it makes to the well being of UK society²⁴².

The CBI's objective is to help create and sustain the conditions in which business in the UK can compete and prosper²⁴³.

The CBI offers its members a chance to shape public policy, a voice on policy in Europe and internationally, professional information on the public policy issues which affect business, and regular dissemination of economic forecasts and surveys of business trends. Also it provides conferences and other networking opportunities enabling members to debate public policy with those

²³⁹ Meeting with Ms. Isabel Baumber.

²⁴⁰ www.britishchambers.org.uk

²⁴¹ Meeting with Mr. Clive Allcorn.

²⁴² www.cbi.org.uk

²⁴³ Meeting with Mr. Peter Malcolm.

who make it, whether in the UK or overseas as well as access to a well-developed program for enhancing business best practice.

To ensure that the CBI remains close to and responsive to its members, it is organized into 13 distinct geographical areas (Scotland, Northern Ireland, and Wales, in the UK in the North East, Yorkshire and the Humber, North West, East Midlands, West Midlands, East of England, London, South West, South and South East). In each area, there is a CBI's local director and a small team ensuring that all members have opportunities to be involved in consultations on policy and to hear from CBI policy experts, local MPs, and ministers on how Government action will affect them. Nevertheless, CBI is also able to monitor and influence European legislation through its Brussels office²⁴⁴.

Finally, it is worth mentioning that there are other Trade Associations in the UK. These are individual industrial and non-industrial sectors that possess their own representative associations serving their specific interests and needs²⁴⁵. A good example is the British Agricultural and Garden Machinery Association (BAGMA), which is the trade association representing agricultural machinery dealers in the UK.



APPENDIX 3

HINTS FOR NEW EXPORTERS - SWEDEN

February 2001

The following are useful guidelines to follow while conducting business in Sweden:

- **Meetings** are usually held in an organised and professional atmosphere. Most Swedes work very hard with long days and there is usually little time for socialising and small talk. In business they like to get straight to the point. They will expect you to be well prepared for your meeting.
- Most **Swedish buyers** are sophisticated and highly knowledgeable about their sector, including world market prices, if appropriate. Be prepared to discuss your product in detail, including quality specifications and standards. Also be prepared to send samples early on.

²⁴⁴ www.cbi.org.uk

²⁴⁵ Meeting with Mr. Clive Allcorn.

- **English** is widely spoken and is the official "business language" in Sweden and the whole of Scandinavia. Do not prepare presentation material in Swedish unless you are prepared to use Swedish continuously.
- **Business relations** in Sweden usually develop on a long-term basis. Sweden is not a country where you can sell surplus capacity, pull out of the market thereafter and then expect to come back after a while. If someone behaves poorly the word gets around *very* quickly. Once business has been made, be prepared to visit your customer on a regular basis, even if you have appointed an agent.
- Quality **graphic material** and **presentations** are expected. Do not send or hand out bad photocopies. Price lists should not be amended by hand.
- Do not be embarrassed to discuss **prices and terms of trade**. Swedes are straight forward and like to know the terms. Be prepared to discuss both Ex Works and CIF prices. Swedes are usually prompt with their payments and it is common that interest is charged and paid if payments are overdue. 30 days net is the most common term of payment. Once the financial status of a customer has been established, trade is usually done on open terms.
- Do not make promises and **agreements** that you cannot fulfil. Swedes prefer to know where they stand and your honesty will be appreciated. If you cannot deliver on time, this should be advised at the earliest possible notice. Brits (and Italians) unfortunately still have a reputation for not keeping to agreed delivery times.
- **VAT** is 25% on most products and services.
- Sweden uses the **metric** system and continental sizes regarding clothing and footwear.
- Arrive **punctually** and notify in advance if you are going to cancel or be late (more than five minutes). Use the 24 hour clock to avoid confusion of the meaning of "half-five".
- Swedes, often including managers, dress casually at work. However, as a salesperson you should use your normal office **dress code**, as could be expected of an Englishman/woman.
- A firm **handshake** should be given on arrival and departure.
- **Non-smoking** areas have become common in the work place and should be observed. Most meetings are held in a non-smoking environment.
- And finally, if you have read this far, be cautious about telling **risqué, sexist or ethnic jokes**.

PRACTICAL INFORMATION FOR YOUR TRIP

Travelling to Sweden

Sweden has four international airports, in Gothenburg, Malmö and two in Stockholm. There are daily direct flights from London to Stockholm and to Gothenburg. There are also direct flights leaving from Edinburgh and Manchester.

Ferries depart for Gothenburg twice weekly from Newcastle (journey approximately 24 hours).

Travelling, staying and eating within Sweden

Once in Sweden, travelling around is easy and convenient. The Scandinavian airline SAS travels to 21 destinations in Sweden. There are also other operators, such as Malmö Aviation, running domestic services.

Sweden's trains are advanced, with the latest technology. The X2000 high-speed train is comfortable and offers many of the same luxuries as flying, including meals served at your seat in first class. Seat reservations are advisable and often compulsory. The X2000 runs from Gothenburg to Stockholm in approximately 3 ½ hours compared to 5-5 ½ on the regular train.

The roads in Sweden are good, especially those linking the major cities: Stockholm, Gothenburg, and Malmö. International rules and regulations generally apply. The use of seatbelts is compulsory in Sweden both in the front as well as the back of the car. The use of dipped headlamps is also compulsory 24 hours of the day, even in bright sunshine. Headlamp adjusters are necessary if you are driving a UK vehicle.

Speed limits are generally as follows:

50 km/hr in towns
70-90 km/hr on normal roads
90-110 km/hr on motorways

One should note that there are harsh sentences for drinking and driving. There are random breath tests on the roads especially during festive seasons. The alcohol limit is 0.2 and should not be ignored due to the severe consequences. Simply, *if you drink – do not drive*.

There are many different taxi companies throughout Sweden. Taxis can be hired by telephone, at taxi ranks and can be hailed in the streets. Tips are included in the taxi fare and it is up to the individual if he would like to give an extra tip for good service.

Most of the international car hire firms are located in Sweden and many have offices at the main airports.

There are a wide variety of hotels to choose from in Sweden. The majority of them include a generous buffet breakfast in the fixed price. A listing of hotels called “Hotels in Sweden” is available free from the Swedish Travel and Tourism Council in London, tel 0171-7245868.

Almost all of the restaurants in Sweden have reasonably priced lunch specials (Dagens Rätt) which are offered between 11:00-14:00 (SEK 45-65). The prices are considerably higher in the evening. Tips are included in the bill but you can, however, use your own discretion in leaving a tip if the service and food are above average.

General Information

The most common denominations for bank notes are SEK 20, 50, 100, 500 and 1000. All major credit cards and travellers cheques are accepted throughout the country.

Banks are normally open on weekdays HRS 9:30-15 (often to 18:00 on Thursdays).

Post offices and chemists (Apoteket) are normally open HRS 9-18:00 on weekdays and 9-13:00 on Saturdays. For city centre shops shopping hours are usually HRS 10-18 on weekdays and 9:30-13 on Saturdays. Most larger stores are open until 19:00 on weekdays with satellite shopping centres open later even later, some up to 22:00 and on Sundays as well.

Electricity is 220 V AC, 50 cycles. A two pin continental socket and adapter are necessary.

In case of emergency dial 112. British citizens have the right to emergency health care in Sweden on the same terms as a Swede. You must, however, bring an E111 form.

APPENDIX 4

MAIN SWEDISH ACTORS

ALMI Företagspartner AB (ALMI)

www.almi.se

ALMI has the aim on promoting the start-up and development of Swedish SMEs, in all different industry sectors. The intent is to complement the regular market actors' services by providing services in business strategic advices, competence development, and financing, specifically in areas where there is a lack of supply.

ALMI has 21 regional offices and one parent company, and employs approx. 550 persons. The parent company is fully owned by the government and the regional offices are owned by the parent company to 51%. The remaining is

owned by Swedish regional authorities or, in some cases, by the local authorities.

The Swedish Business Development Agency (NUTEK)

www.nutek.se

NUTEK is the official authority when it comes to matters dealing with issues for enhancing the growth and the renewal of the Swedish industry. Furthermore, according to the government bills (prop 1999/2000:1 and prop 1996/97:5) NUTEK has been assigned to deal with specific issues in its area, such as: Company development (*“actively contribute to a good entrepreneurship in Sweden and a good milieu in order to support the growth of SMEs and create conditions to increase the establishment of new, vital companies”*), regional equalizing and development (*“contribute to a balanced regional development between different parts of the country and balances within regions in different regions, and contribute to the coordination and development of public authorities and other bodies offerings aiming at developing the industry, with special focus on regional political prioritized areas”*), and the program Technology (*“from an industry perspective actively contribute to developing and strengthen the dynamics in the national innovations system”*).

NUTEK has approx. 350 employees and it received a governmental grant for approx. SEK 2,5 billion for the year 2000²⁴⁶.

The Swedish Chamber of Commerce

www.cci.se

The Swedish Chamber of Commerce is an organization composed of 12 different accredited regional and 20 international Chambers of Commerce. This organization is fully financed by membership fees and fees for different types of services they provide.

The regional and international Chambers of Commerce are independent, physically as well as in terms of activities, from each other in the meaning that

they are each governed and financed by the companies in their respective regions or markets.

Furthermore, there are some Chambers of Commerce that are not members of the Swedish Chamber of Commerce (e.g. the Chamber of Commerce and Industry of Southern Sweden and the Western Sweden Chamber of Commerce and Industry) and each of them is responsible for what they offer to their members.

The Swedish Chamber of Commerce has no political connection and it has a member base of approx. 11,000 companies. It provides services to its members and other companies in the form of advice and information regarding export and import. Moreover, it is important to highlight that some Chambers of Commerce have their own experts regarding export issues, but their services are conducted in an add-hoc basis, depending on if the Chamber at the moment, has any personnel with that specific knowledge²⁴⁷.

Confederation of Swedish Enterprise (CSE)

www.svensktnaringsliv.se

This association was founded as late as 2001, through the merger of Industriförbundet and SAF. They represent approx. 46,000 companies in Sweden, divided by 52 different industry and employer organizations.

Its long-term goal is for Sweden to return to a leading position in the international prosperity league. In order to achieve this, a coalition of broad interests relating to the value of entrepreneurship and entrepreneurial spirit is required. Its assignment from our member organizations and member companies is to enhance understanding of companies' reality and to work to achieve the best possible conditions for all companies in Sweden to operate and grow²⁴⁸.

²⁴⁶ NUTEK, Annual Report 2000.

²⁴⁷ Meeting with Carl-Johan Jargenius.

²⁴⁸ www.svensktnaringsliv.se

In particular, the CSE has a service providing assistance to the member companies, by collecting all the knowledge from the Confederation of Swedish Enterprise and the member organizations, and providing it through an electronically answering service. Information such as regulations etc. can be easily accessible by the companies in this manner.

The Federation of Private Enterprises (FPE)

www.fr.se

The Federation of Private Enterprises has as its main mission to create the best possible situation for starting, running, developing and owning a company in Sweden. The FPE has a similar structure as the Confederation of Swedish Enterprise. However, this association is the largest in Sweden, consisting of over 90,000 companies, mostly SMEs, through 328 local company associations²⁴⁹.

The FPE realizes activities, through business networks, so that Swedish companies can cooperate between each other's in their development. Another important service of the FPE is that it lobbies through influence the decision makers when it comes to creating a better business climate for Swedish companies²⁵⁰.

The Swedish Institute (SI)

www.si.se

The Swedish Institute is a public authority and it has approx. 110 employees, most of them working from the main office in Stockholm. The aim of the SI is to spread information about Swedish culture, education, science, and the society as a whole. Thus, SI main purpose is to promote Swedish interests in order to be able to contribute with the cultural development, and growth of Sweden.

When it comes to the presence abroad, SI only has one office, in Paris. The rest of the activities it has abroad are managed through the different foreign posts,

²⁴⁹ Phone interview with Ulrik Östling

²⁵⁰ www.fr.se

for example the embassies. The SI has approx. 70 different information sheets about Sweden, covering the mentioned areas translated to approx 20 different languages. Therefore, SI is often a first link between Sweden and the rest of the world²⁵¹.

The National Board of Trade (Kommerskollegium)

www.kommers.se

This is an independent governmental agency, which functions as the central administrative body for the Swedish foreign trade and policy. Thus, its main aim is to work for an effective internal market within the European Union, for an open and strong multilateral trading system and continued trade policy liberalization with the rest of the world. This is realized through its main functions, which are analyses (controlling), administration of import and export licenses, simplification of trade procedures etc.

The National Board of Trade dates back as early as 1651. Its responsibilities have during the years varied due to the diverse nature of the global business climate. In the beginning this actor had a rather broad stance with the main task of scrutinize everything that impedes and obstructs the trade that falls under, what we call today, the industry.

Moreover, over the pass of years, its different responsibilities have changed and eventually been separated from it, either by establishing a new governmental agency in charge of them or by redirecting those activities to an existing one. This has gradually led to the configuration of the current responsibilities of this agent.

²⁵¹ SOU 2000:102 (2000).