







# **BORDERS BLURRED – THE CHANGING NATURE OF TRADE IN A GLOBALISED WORLD**

by

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# Executive summary

The aim of this study was to discover key features of exporting firms and to explore the behaviours that link their export and productivity performance. The study capitalises on a new source of data on Australian firms produced by the Australian Bureau of Statistics (ABS) in the Business Longitudinal Database of small and medium-sized enterprises. It draws on these data and on the experiences of exporters recounted in focus groups.

A fundamental insight emerged, beyond the ambit of the initial research questions about exports and performance. There is a new model of exporting behaviour and firm performance—at least among small and medium-sized enterprises (SMEs). The old model focuses on production in Australia and a search for exporting opportunities to other countries, perhaps to provide larger production volumes. The new model focuses on where in the world the market opportunities lie and where the opportunities to capture value in Australia lie. Specialised, high-value activities are performed in Australia, while the rest is done elsewhere. The domestic market is one of a number of markets that are served. In the new model, international borders are blurred.

## Background to the study

Research in other countries over the past couple of decades has shown that rich insights can come from the systematic study of firms. Firms are not structured in the same way, they do not behave in the same way and they do not have the same performance outcomes—even when they are in essentially the same line of business. Understanding what makes the range of firms tick can powerfully inform the formulation of government policies.

Against this background, a prime objective of the study was to interrogate a new ABS source of data, the Business Longitudinal Database, on the activities of firms over 2004-05, 2005-06 and 2006-07. This study provides an initial analysis of these new data, which update findings published by the ABS in 2001 in *A Portrait of Australian Exporters* and related analyses by Austrade. The publicly-available database covers SMEs only. Drawing on discussions with focus groups of exporters was a complementary part of the study. The exporters were from small and medium-sized businesses across a wide range of activities. These focus groups provided many important insights that could not be gleaned from analysis of the dataset.

## DATA PERSPECTIVES

### Numbers of Australian exporters are increasing, but they are still in the minority

The Australian exporter community has doubled in size in the new survey data and since the ABS analysis in 2000 – from 4 per cent to 8 per cent of firms, but this remains a small share of Australian businesses.

### The distribution of exporting activity is highly skewed

Small and medium-sized exporters are far more numerous than large exporters. However, in the survey in the second half of the last decade large firms earned 95 per cent of revenue from the export of goods (expanding export of services not included). Obviously, export revenue from mining commodities has grown dramatically over the last decade. SME exporters are most highly represented in manufacturing and wholesaling. Retailers come in third.

### Not all exporting from SMEs endures

There appears to be substantial experimentation or opportunism in relation to exports, but many small firms are unable to persist beyond a year. Those that do survive a couple of years seem to be able to continue.

### Exporters also import

Large exporters are usually also large importers. It appears that access to import sources is important to export competitiveness.

### Exporters are different from non-exporters

Exporters tend to be larger, more experienced and more intensive users of the internet than non-exporters. Generally, they invest more intensively and they tend to be more innovative, in terms of introducing changes to their products and processes.

## INSIGHTS FROM FOCUS GROUPS

The focus groups confirmed and explained these points, as well as adding many additional insights.

### Global value chains, not exports

SMEs are taking advantage of increasingly unbundled global production and supply chains with different specialist functions distributed around the world. Examples of Australians doing business internationally include: outsourcing manufacturing operations offshore, but retaining design, R&D or management functions in Australia; exporting knowledge and expertise, not products; use of networks of agents or distributors; formal joint ventures in overseas markets; and complete offshoring and relocation.

### Business boundaries blurring

These more varied and complex options for international trade are serving to blur and reconfigure the boundaries of the firm. They also make collaboration abilities and the skills and agility of personnel 'mission-critical' for businesses, as they work to capture value at home from their engagement in global supply chains.

## Constant competitiveness search

Whether the business decision to export was strategic or opportunistic, Australian SMEs are engaging in international trade as a series of searches to understand in detail what customers and markets need and want, and to diversify, adapt and extend the range of their business offerings in response.

## Intangibles matter

Successful Australian SME exporters understand the importance of intangibles for business performance and success internationally – building personal connections and trust-based relationships not just business transactions; understanding cultural expectations and differences; and the value of belief, persistence and learning from mistakes.

## Exporting and business innovation go hand in hand

Generally, exporters are more innovative, particularly in new operational processes and in researching and searching for information and opportunities, and to a lesser extent in the introduction of new goods and services. New models for doing business internationally seem to be driving this innovative behaviour. The main strategies for business change commented on by exporters were:

- investing in online and information technologies;
- redesigning the enterprise's supply chain;
- attention to staffing and skills; and
- responsiveness to customers and markets.

## Transformed by online and information technologies

The use of online and information technologies are proving essential in enhancing the business models and processes, customer relationships and competitive capabilities of Australian exporters.

## Behind the border barriers more important

Tariffs and free trade agreements are less important to Australian SME exporters than government action on 'behind the border' issues like the effects of disparate regulation; facilitating trade relationships and flows of knowledge; reducing the transaction costs associated with international trade; and helping Australian firms band together to operate for the long haul in global markets.

## Case for a forward-looking trade policy

A forward-looking and generalist trade policy for Australia over longer time horizons is a priority. It should have wider measures of success than just export numbers, and include action to remove impediments to growth industries for the future based on Australia's natural or created competitive strengths.

## **BROADER IMPLICATIONS**

Traditional goods exports, especially in mining and agriculture, will continue to have their place in Australia's export revenues. However, there is scope for a wide range of Australian firms, large and small, in a wide range of other activities to not just survive, but to thrive in serving Australian and overseas markets. Some smaller, agile Australian exporters are showing the way.

The new mindset starts with a focus on capturing value to generate income in the global economy, rather than focus on producing goods and services and then looking to export.

Australians will have to continue to build on their strengths—where they have advantages in capabilities and competencies in comparison to the rest of the world. This is not restricted to technical knowledge and know-how, but includes strengths in design, building relationships and finding solutions to complex problems. It means that more standardised production of goods and services will be undertaken offshore. This may raise concerns from some about ‘exporting jobs’, but in a competitive world, it is better to have growth in high-yielding activities and high-end jobs than no growth at all as Australian businesses lose out to competitors.

This view has implications for governments. It means fostering relevant capabilities through education and training, and fostering flexibility and adaptation in firms by removing unnecessary regulatory restrictions and unnecessary external restrictions on the way firms go about their business internally. It means shifting focus in trade matters to reduce ‘behind the border’ differences across countries.

Finally, the new model of foreign engagement has implications for data collection. The old model of export of goods does not always apply. For example, where does the activity of Australians in collaborating in the production of specialist goods in China for sale in North America show up in statistics? Some re-thinking may be required.

## CONCLUSION

This study brings home the fact that exporting is too narrow a concept to reflect the reality and diversity of how Australians are doing business internationally. They are taking advantage of increasingly unbundled global production and supply chains with different specialist functions distributed around the world. These more varied and complex options for international trade are serving to blur and reconfigure not only the boundaries of the firm, but the measures of productivity and prosperity in the national accounts.

Whether focused on enterprises and their workforces or on Australia as a whole, the *Borders Blurred* study provides new insights about how Australian businesses are capturing value at home from their search for competitive opportunities and global engagement.

# About the Authors

Christopher Findlay and Faqin Lin at the time of writing were a staff member and PhD student respectively in the School of Economics at the University of Adelaide. Narelle Kennedy is Chief Executive of the Australian Business Foundation. Dean Parham, previously with the Productivity Commission, is an independent researcher. Tim Harcourt, previously the first Chief Economist of Austrade, is now the inaugural J.W. Neville fellow in the School of Economics, Australian School of Business, University of NSW.

## ABOUT THE AUSTRALIAN BUSINESS FOUNDATION

The Australian Business Foundation is a unique business-sponsored collaborative research body at the centre of a vibrant community involving Australian and international scholars, policymakers, opinion leaders and business executives.

As an independent, not-for-profit spin-off company from one of Australia's leading industry organisations, the Australian Business Foundation was tasked with researching and detecting the emerging issues likely to impact on Australian business earlier than they are understood by others in the mainstream.

It has undertaken and nurtured evidence-based research on business innovation and sustainability, emerging models of business competitiveness and opportunities arising from a knowledge economy. The Foundation's body of research intelligence comprises over 30 expert research studies published over the 13 years of the Foundation's life, as well as the value added by the Foundation's know-how. The Foundation's research strives for depth, rigour and practicality in its character, drawing out original content and insights and interpreting this for impact and use.

The Australian Business Foundation collaborated with Professor Christopher Findlay of the University of Adelaide and other partners to conduct this investigation into trade and productivity.

# Acknowledgements

The authors thank the Australian Business Foundation for its support for this project and Don Brunner, at the time on the staff of the Productivity Commission, for conversation about the scope of the project. Des Pearson and colleagues at the then South Australian Department of Trade and Economic Development supported the work and provided advice on its scope. Assistance in accessing data was provided by staff of the Australian Bureau of Statistics in Perth and in Canberra. The meetings and workshops associated with the project were organised by Australian Business Foundation staff as well as Ros Whysall at the University of Adelaide and Tanya van der Wall of ThinkEvans. The authors thank all the participants in those events for their contribution.

# 1. Introduction

Exploring the behaviour of firms and their different innovation and trading strategies is an important step toward better understanding of aggregate trends such as growth in exports, value added and productivity.

There are significant pressures for adjustment from globalisation and from lower barriers to trade and investment. How do firms, especially small businesses, mark out their international strategy? How do their choices affect performance? For example, does being an exporter lead to better performance or is it that becoming an exporter follows better performance? Do firms have to 'gear up' and improve performance in order to succeed in export markets? Or do forays into export markets lead to knowledge that helps to improve productivity performance?

The study was set firmly in this background with the general aim to shed light on the behaviours of firms and the policy-relevant factors that help to determine international business and performance outcomes.

A major component in the study design was to draw on a new source of data on Australian firms, the Business Longitudinal Database (BLD). The aim was to discover key features of exporting firms and to explore, as far as possible, the behaviours of firms that have led to better export and productivity performance. Data from the BLD were available from the Australian Bureau of Statistics (ABS) through a 'confidentialised' data file. The ABS restricts data on this file to small and medium-sized firms.

A second component was to explore the experiences of firms through focus groups. These were designed to pick up any important factors and explanations that were not clear from the analysis of the ABS dataset. The firms included were again small and medium sized.

Developments in data and analysis since the mid-1990s have led to a much richer understanding of the factors that drive and facilitate exports. Statistical agencies in a number of countries have put together large-scale databases on the characteristics, behaviour and performance of individual firms (or plants). Data are collected over a number of years, so that performance outcomes can be tracked to firms' earlier decisions and characteristics. Analysts have been able to use these large datasets to explore the features of firms and their strategies that bring, amongst other things, growth in exports and improved productivity performance. This work has led to a set of new 'stylised facts' about exports and exporting firms.

One central insight from this work is that firms vary widely in their structure, behaviour and performance—even within narrowly-defined industries. This means that the performance of

the aggregate economy is not so much a reflection of uniform trends sweeping through industries and the economy, but is determined more by what happens in some firms (in investment, employment, technology and marketing decisions and so on), but not in others. It also means that the linkages between government policies and national economic performance are more complex than have been widely acknowledged and understood.

The issues examined in the study can therefore be broadly summarised as:

- Who exports?
  - What sorts of firms export, are they big or small, how do they decide to (or fall in to) export?
- What are the consequences of exporting?
  - What are the rewards from exporting, how do these feed back into the decision to export? What is the role of innovation, what sorts of innovation matter, and how is it organised?

Information on these questions is mainly taken from the survey data. Further, supplementing the survey data with focus groups, we examine two other sets of questions:

- How do they export?
  - How do they organise exports, what are the new models of exporting, what about the blurring of the borders, is there one model? What is the role of the internet?
- Can governments help?
  - What impact does government policy play, how do exporters interact with governments? What impediments are there to exporting, what would be the suggestions for priorities for reform either at home or in export markets?

Information about the characteristics of exporters in general is also drawn on as appropriate in this report to provide a broader perspective. Drawing on the dataset on its own has limitations. This is partly due to the nature of the data – limited time period, and limited variables especially on use of labour and capital and on performance. More fundamentally, the data do not give the sense of ongoing change and transformation among firms that came through from the focus groups.

## 2. Stylised facts on exporters

### WHO EXPORTS?

**W**ho exports? The answer is 'not many' firms. Firm-level data from a number of countries show that exporting activity is highly concentrated in relatively few large firms.<sup>1</sup>

- Firms' participation in export activity is uncommon and most firms sell exclusively to the domestic market.
- The value of exports is dominated by relatively few firms.
- Firms tend to export a small proportion of their total production.

For example, of firms in the US, only 4 per cent were exporters in the early 2000s.<sup>2</sup> Among exporting firms, the top 10 per cent accounted for 96 per cent of total US exports, and US manufacturers only exported 14 per cent of total shipments on average.

The available Australian evidence suggests that, as in other countries, exporting in Australia is not widespread among firms.<sup>3</sup>

- Only 4 per cent of businesses were exporters in 1997-98 (ABS, 2000).
- The value of exports is dominated by relatively few large firms.
- On average, firms tend to export only a small proportion of their production. Nearly two-thirds of exporters in 1997-98 derived less than 10 per cent of their income from exporting. Only 13 per cent derived more than half their income from exporting (ABS, 2000).
- More recently, in 2008-09, nearly half of all goods exporters lodged only one or two export transactions and the total value of their goods exports was \$1b (less than 1 per cent of total goods exports).

Box 1 contains more detail.

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<sup>1</sup> See, for example, Bernard and Jensen (1995), Clerides et al. (1998), Aw et al. (2000), Bernard et al. (2003), Wagner (2007) and Bernard et al. (2007).

<sup>2</sup> See Bernard et al. (2007). The proportion was higher in manufactures, but still only 18 per cent.

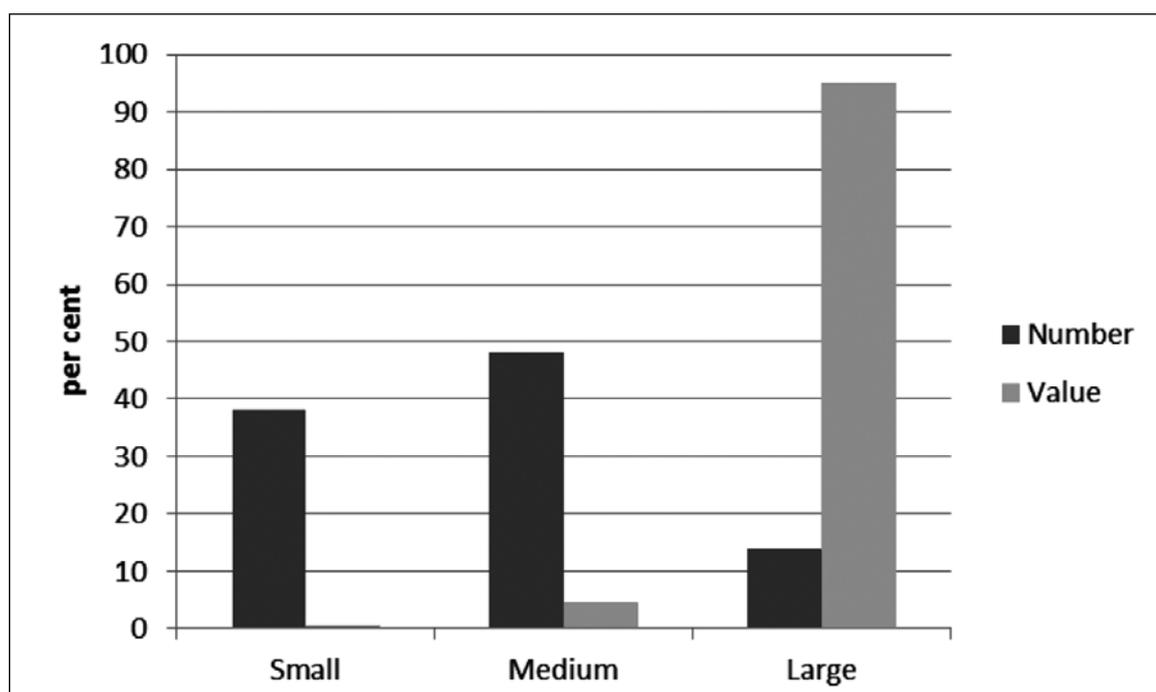
<sup>3</sup> Longitudinal firm-level data have not been as readily available in Australia. The ABS has published *A Portrait of Australian Exporters*, based on the Business Longitudinal Survey of firms over four years in the mid-1990s (ABS, 2000). See also Austrade (2002) and Harcourt (2000, 2001). The ABS has also published annual information on the characteristics of Australian exporters since 2000-01, based on firm-level data collections (see, for example, ABS, 2010). Compared with many overseas databases, there are also limitations in the range of information collected and the sample sizes, which can affect the nature and quality of inferences that can be drawn from the data. The most recent release of data from the Business Longitudinal Database is examined in more detail in the material presented below.

**BOX 1: SIZE OF EXPORTERS**

While there are many more small and medium-sized exporters, large firms earn the bulk of Australia's export revenue. In 2008-09, around 16,000 small firms and 20,000 medium-sized firms exported goods, compared with 6,000 large firms (ABS, 2010).<sup>4</sup> However, large firms generated 95 per cent of the revenue from exports of goods. Small firms only generated 0.5 per cent and medium-sized firms 4.5 per cent of revenue (see Figure 1). This skew toward large firms in the value of exports has been exacerbated in the recent mining boom. Large firms in the mining industry alone accounted for nearly half the total value of goods exports in 2008-09. In the 1990s, large firms represented 3.5 per cent of the number of exporters and earned just under half of the revenue from goods exports (ABS, 2000).

Small and medium-sized exporters are most highly represented, in terms of both numbers and value, in the manufacturing and wholesaling industries. In 2008-09, manufacturers accounted for 21 per cent of numbers and 29 per cent of value, and wholesalers accounted for 29 per cent of numbers and 38 per cent of value of goods exported by small and medium-sized firms. Retailers accounted for 9 per cent of numbers, but only 5 per cent of value. The industry distribution of exporters (numbers) is shown in Figure 2.

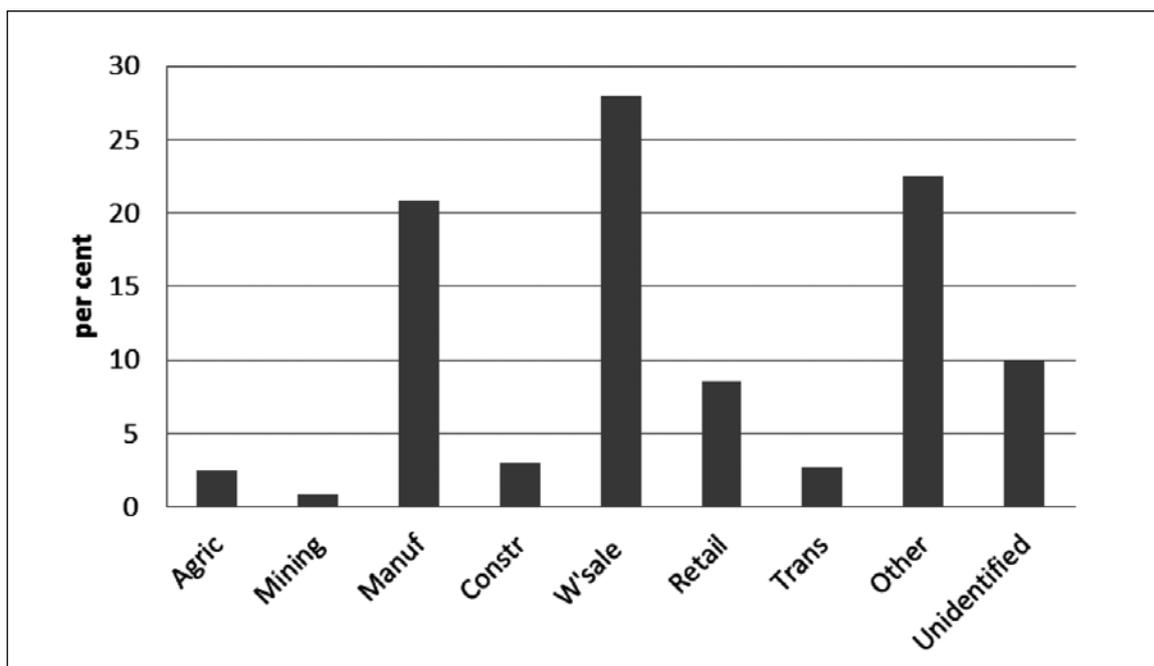
**FIGURE 1:** Distribution of numbers of exporters and value of exports by size of firm, 2006-07 (per cent)



Source: ABS (2010)

The ABS has now released new data for 2004-05, 2005-06 and 2006-07 for nearly 3,000 small and medium-sized businesses. Using these data we find that exporters are only a small fraction of the firms in the survey of about 8-10 per cent. These data also show interesting results with respect to persistence in exporting, variation across sectors and links to imports.

<sup>4</sup> The ABS defines the size of exporters as: small—less than 20 employees and less than \$1m in exports; large—over 200 employees and more than \$20m in exports; and medium—neither small nor large.

**FIGURE 2:** Industry distribution of small and medium-sized exporters, 2006-07 (per cent)

Source: ABS (2010).<sup>5</sup>

## CHARACTERISTICS OF EXPORTERS<sup>6</sup>

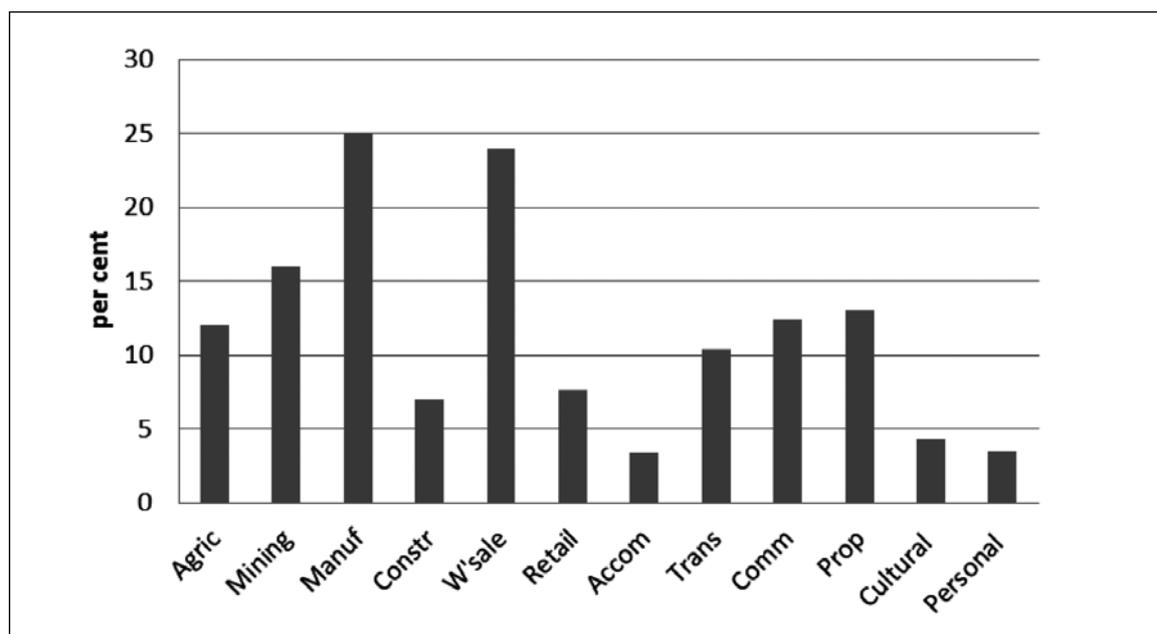
The data show that most exporting firms only do so for one year: only 5 per cent of firms continue to export for three years. There is a lot of exit and re-entry into export activity, but for those having experience of exporting for two years, the majority do so continuously. These dynamics of exporters are consistent with the findings in other research that a lot of exporters in any given year were not exporters in the previous year and that among the new exporters many do not survive into the following year (Welch and Welch, 2009). These results are interesting and suggest the importance of overcoming some hurdles to get into exporting in a consistent manner, but once that cost is incurred, then exporting continues. The set-up cost would also help explain why only some firms undertake exporting, but the apparently small share remains a topic of interest.

We know that about 8 per cent of firms are exporters but, not surprisingly, export participation across industries is uneven. Figure 3 shows the export ratios across the industries in 2006-07. Interestingly, the export ratio in the manufacturing sector was relatively high, at 25 per cent. There may have been a lot of relocation of production offshore in this sector but those that remain appear to be relatively internationally oriented. Mining export participation was more than 15 per cent (possibly lower than expected but these data refer to small and medium-sized firms). The lowest export ratios were in construction and retail trade, cultural and recreational services, and personal and other services and accommodation, with an export ratio of less than 5 per cent.

Trade is a two-way activity. We know this to be case at the level of the whole economy but it also applies to firms. Large exporters usually are also large importers - of those firms whose export value is more than \$600,000, usually 30-40 per cent would also import more than that

<sup>5</sup> The full names of the industries are: Agric=Agriculture, Forestry and Fishing; Mining; Manuf=Manufacturing; Constr=Construction; W'sale=Wholesale Trade; Retail=Retail Trade; Trans=Transport and Storage.

<sup>6</sup> This section summarises the findings from the new ABS data release. Some of these data are also presented in the form of figures in the paper. Additional tables are available from the authors on request.

**FIGURE 3:** Export ratios by industry, 2006-07 (per cent)

Source: ABS (2010).<sup>7</sup>

value. This suggests that firms are thinking carefully about the nature of their business and about what they produce themselves and what they procure from other suppliers, including from the rest of the world.

In other studies, compared with non-exporting firms, exporters tend to be more productive, be more skill- and capital-intensive and to pay higher wages. For example, US manufacturing exporters: had 11 per cent higher labour productivity and 3 per cent higher multifactor productivity, were 12 per cent more skill-intensive and 11 per cent more capital-intensive; and paid 6 per cent higher wages (Bernard et al., 2007).

*A Portrait of Australian Exporters* (ABS, 2000) provides a range of comparisons of exporters with non-exporters. According to this source and compared to non-exporting firms

- Exporters perform better. Labour productivity (as measured in approximate fashion by turnover per employee<sup>8</sup>) was greater.
- Exporters reported better stronger profitability.
- More training was provided in exporting firms.
- Exporters paid an average wage or salary in 1997-98 that was 60 per cent higher than that paid by non-exporters. Just over a third of exporters, but only 12 per cent of non-exporters, paid above average weekly earnings.

One question that has been of interest to researchers is whether firms are more productive before they commence exporting—suggesting that better-performing firms ‘self-select’ into exporting activity—or whether they become more productive only after they commence

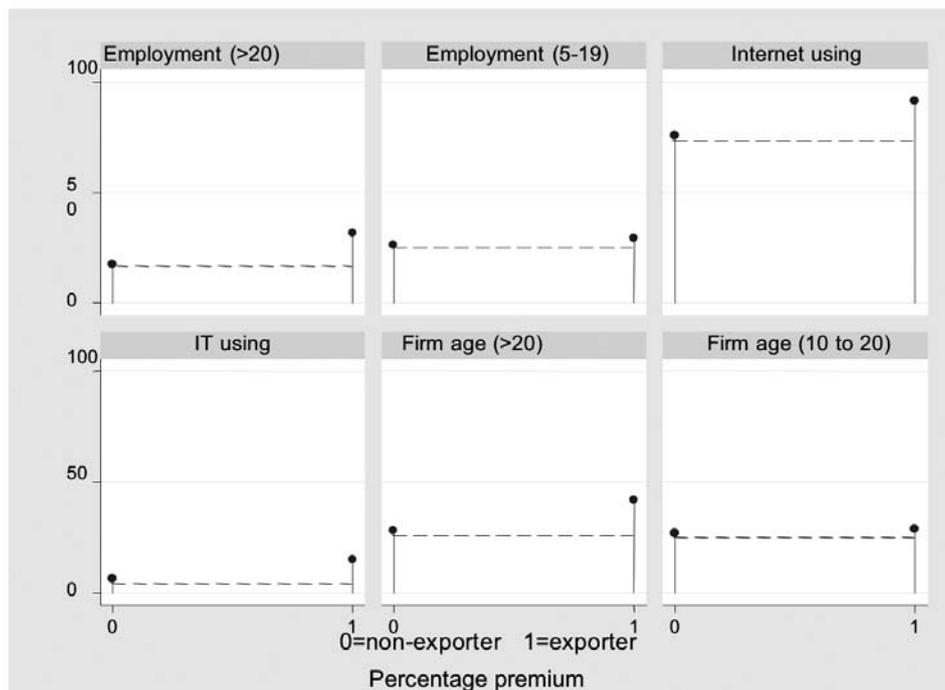
<sup>7</sup> The full names of the industries are: Agric=Agriculture, Forestry and Fishing; Mining; Manuf=Manufacturing; Constr=Construction; W'sale=Wholesale Trade; Retail=Retail Trade; Accom= Accommodation, Cafes and Restaurants; Trans=Transport and Storage. Comm=Communication Services; Prop=Property and Business Services; Cultural=Cultural and Recreational Services; and Personal=Personal and Other Services.

<sup>8</sup> Value added is a better measure of output for use in a productivity measure. Variations in turnover per employee can merely reflect variations in the degree to which firms outsource parts of the production process.

exporting ('learning-by-exporting'). The evidence provides strong support for the self-selection view, but is mixed in its support for the productivity gains derived from exporting (Lopez, 2005; Wagner, 2007; Bernard et al., 2007).

Figure 4 reports results from the recent small business survey by the ABS. A higher percentage of exporters compared to non-exporters are found to be larger, as measured by their workforces, bigger internet and information technology users and more experienced in doing business.

**Figure 4:** Exporter premiums (percentage point difference to non-exporters)



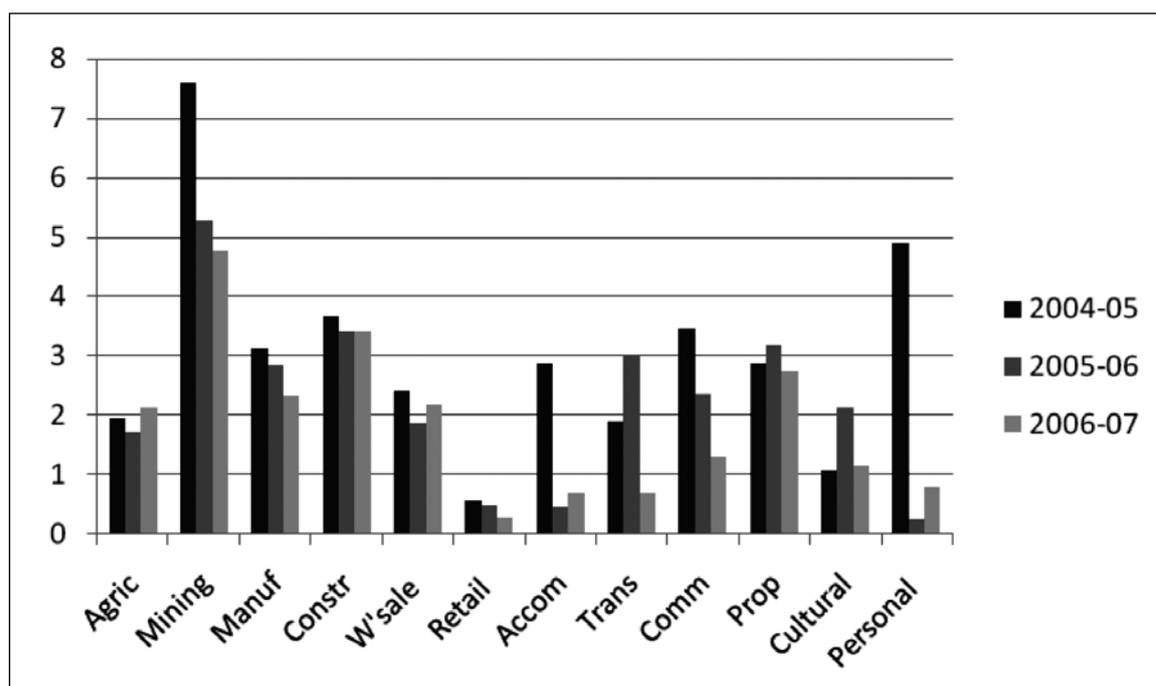
Source: ABS (2010). Note: Because some firm characteristics are not reported in each financial year, so the percentage premium data come from different years, employment from 2006-07; internet use from 2005-06; IT use from 2006-07; firm age from 2004-05.

Figures 5 and 6 show additional data on the size of firms, based on their sales and their wage bills. The mining industry had the highest 'sales premium', that is, the average total sales of mining exporters was about five times that of non-exporters, and in 2004-05, the ratio had risen to nearly eight. For other cases –

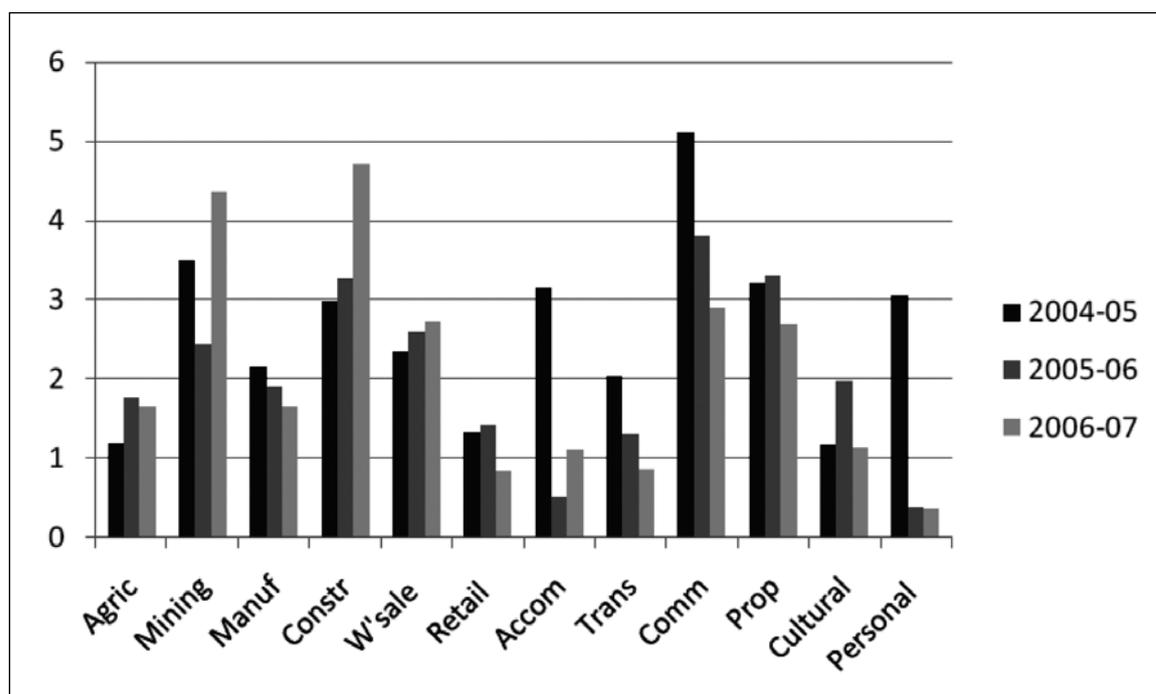
- Manufacturing, construction and property and business services - the sales premium was about three times.
- Agriculture, forestry and fishing and wholesale trade - the sales premium of exporters was about twice.
- Communication services - also showed a premium, but one which was decreasing.

The communication services industry had the highest payroll premium: in 2004-05, the average wage bill of exporters was about five times that of non-exporters but the trend was also one of a decreasing ratio. In other cases –

- Mining, construction, wholesale trade and property and business services, the payroll premium was significant and the ratio was about three times.
- Agriculture, forestry and fishing, manufacturing and cultural and recreational services, the payroll premium ratio was between one and two.

**FIGURE 5:** Sales premiums across industries

Source: ABS (2010) and the full names of the industries are in footnote 7.

**FIGURE 6:** Wage bill premiums across industries

Source: ABS (2010) and the full names of the industries are in footnote 7.

Another indicator of interest is the firm's investment intensity. This is the value of capital purchases relative to value added. Generally, exporters will invest more intensively than non-exporters, especially for those continuing exporters. For continuing exporters this ratio is generally increasing over time. Even among those firms continuing to export for two years, the investment intensity in those two years also increases. We also find that when firms stop exporting, the investment intensity decreases and when firms begin to export the investment intensity increases.

## CONSEQUENCES OF EXPORTING

Directions of effects are difficult to work out in this set of relationships but these results suggest some interesting stories. Maybe firms have to be larger, and more experienced, to be able to manage the investment required to get into exporting, given the challenges of arranging finance for that purpose. These days, using information technology might lower those costs of entering the export market and successful exporters are better users of that technology. Investments are made to add to the firm's capacity to export and to raise performance and this also permits the firm to pay higher wages. It is interesting to compare these data with the information from the case studies to extend our understanding.

Another topic of great interest here is the extent and nature of innovation in exporting firms. Generally, exporters are more innovative. For example, the 2000 ABS report found that during 1997-98, 35 per cent of exporting businesses were classified as innovative compared to 13 per cent of non-exporters – but what does 'innovation' mean?

Data from the survey of small and medium firms show that what matters for innovation are operational processes and the search for information. These activities are more important than work on new goods or services or on new marketing methods. So process and systems matter more than products or perhaps even marketing. This result suggests that there is a new model or approach to international business in which production processes are regularly being reviewed to focus on areas of international competitiveness.

To illustrate, consider a range of different types of innovation:

- new goods and services
  - Activity under this category is small, only 7-8 per cent of exporters engage in this sort of innovation, although this ratio is much higher than for non-exporters.
- new operational process
  - All firms are likely to be looking at new operational processes, but again it is more prevalent in exporters (more than one-third) than those who do not export (up to one-fifth).
- information and research
  - The same point applies – large proportions of firms engage in this activity but more so exporters.
- new management process and new marketing
  - 5-6 per cent of exporters engage in these activities and the proportion is about half that for non-exporters.

The Brisbane Innovation Scorecard 2010 (Brisbane Marketing, 2010) adds further insights on innovation and export performance. This scorecard is based on innovation surveying of 100 firms by the University of Queensland Business School using international methodology of the EU's Community Innovation Survey and the OECD's Oslo Manual. It was found that exporting firms were more likely to be engaged in significant innovation activity than non-exporting firms. International sales correlated highly with new and improved goods that were new to the industry, or new to the particular market.

## HEADLINE INSIGHTS FROM DATA ANALYSIS

### **Numbers of Australian exporters are increasing, but they are still in the minority**

The Australian exporter community has doubled in size in the second half of the last decade and since the ABS analysis in 2000 – from 4 per cent to 8 per cent of firms, but this remains a small share of Australian businesses.

### ***The distribution of exporting activity is highly skewed***

Small and medium-sized exporters are far more numerous than large exporters. However, large firms earned 95 per cent of revenue from the export of goods (expanding export of services not included).

### ***Not all exporting from SMEs endures***

There appears to be substantial experimentation or opportunism in relation to exports, but many small firms are unable to persist beyond a year. Those that do survive a couple of years seem to be able to continue.

### ***Exporters also import***

Large exporters are usually also large importers. It appears that access to import sources is important to export competitiveness.

### ***Exporters are different from non-exporters***

Exporters tend to be larger, more experienced and more intensive users of the internet than non-exporters. Generally, they invest more intensively and they tend to be more innovative, in terms of introducing changes to their products and processes.

## 3. Focus group findings

Our focus group findings paint Australian SME exporters as:

- serial business experimenters;
- alert to and inquisitive about the unmet needs and demands of customers in different offshore markets;
- agile and responsive both in their business offerings and in their approaches to engaging in international trade; and
- constantly striving to find and maintain their competitive edge for a viable and enduring business.

The comments of exporters in our focus groups made it clear that 'export' is too narrow a concept to reflect the reality and diversity of how Australian SMEs are doing business internationally. For example, outsourcing manufacturing offshore, but retaining R&D, intellectual property, design and management functions in Australia; formal joint ventures in overseas markets; use of networks of agents or distributors; total offshoring to be close to customers and to reduce costs and carbon footprint; and exporting knowledge and expertise, not products.

This reflects the trend towards unbundling of global production and supply chains, which opens up niches in which companies can specialise and provides more varied opportunities for doing business globally, expanding into multiple international markets without the need for dedicated, full-time export operations.

This more open environment for international trade, however, still requires the depth of skills and persistence to succeed. This is the case whether the business decision to export was planned and deliberate, or more responsive and opportunistic.

The key points made in discussion with exporters about their experiences are reported in the following sections. Participants in the focus groups are listed in Appendix 3.

### TRIGGERS FOR SMEs TO EXPORT

Both chance and choice were cited as experiences that triggered Australian SMEs to embark on exporting. Some understood that given the nature of their product or the small Australian market for their product, exporting was a necessity – an essential and natural element of their strategy.

Aussie Inc., which assists Australian companies to place their products directly to retail in US markets, went global from the outset, by definition, as did SolarGem, which provides off-grid

solar energy technology solutions to developing countries. Atlas Export Agencies said they exported out of necessity, as the Australian market was not large enough for the specialised textile products they were representing. Peter Janssen of J Capital gave the example of a technology-based company he is mentoring whose personnel are overseas-born or have strong international affiliations and whose knowledge-based business is undertaken largely online – they consider themselves a ‘born global’ company, not a conscious exporter.

Others ‘fall into export’, for example, by responding to consumer requests or discerning unmet needs or gaps in the international market they were well placed to fill, for example, Sweet William chocolates meeting a demand from Sainsbury’s for a specialised product. For Western Australian yabby farmers or other enterprises already shipping or transporting goods across Australia’s large landmass, it is an easy extension of what they are already doing to transition to global markets. Other examples of companies gradually evolving as exporters from their base of operating a successful business in the domestic market include long-standing companies like footwear manufacturer and retailer Rossiters, and Laucke Flour Mills.

Bob Stevenson of Cerberus Sciences, a company providing pathology products and other services for the health of laboratory animals, described his company as a ‘reluctant exporter’. Cerberus Sciences first gained credibility in its specialised field with universities in New Zealand, Hong Kong, Singapore and China and this served to ‘pull through’ their international presence.

A variation on the motivation to export was offered by Steven Bosley of kitchen components and services company, Amorini Australia, who having built a profitable business in Australia, was “bored out of my brain and asked what’s next”.

## EXPORT EXPERIENCES

### Time and persistence

There are large fixed costs in establishing export markets. Research suggests it still may take some time for export sales to occur once a decision is made to do so. This may be after three years of contact in some markets ‘to establish the bite’ according to some participants, and longer in other markets and only following frequent visits to establish a ‘presence’ and reputation as a ‘stayer’. Some reflected on the personal toll from the need to travel and the extensive time spent out of Australia.

### Culture

China is often mentioned in this aspect. Adelaide architect Norman Sheun found that he had to ‘pull his socks up culturally and linguistically’. While he had a Chinese cultural background, his language skills were initially poor in Mandarin. His experience is that it takes seven-plus years in China to establish oneself – he has had to constantly re-present himself there. Other participants observed that while cultural differences are important to take into account, business principles are the same and ‘people are people’.

A further angle was that culture and the social and political climate could be a plus for Australia. APC Technology provides technology products for defence clients and Scott Begbie observed that an Australian company customising and assembling computer equipment for Pakistan has an advantage because of that country’s reluctance to buy computers and software from the US.

### Personal relationships

Several participants emphasised the vital role of forging genuine and long-lasting business relationships and personal connections. Todd Miller of Aussie Inc., for example, said that suc-

cess is all about following up with people: “you can have as much technology as you want but you have to be relentless with following up and it’s a 24/7 job”. The sentiment was about mixing the social and the economic interaction, building personal, trust-based relationships and not merely engaging in business transactions.

Capitalising on Australia’s multicultural population is an advantage in establishing workable international business relationships. It was noted that we have cultural and language links and it is only natural for people to look back to their own international connections. A significant number of Australian exporters and entrepreneurs were born overseas.

Passion and belief were often referred to, as was the recognition that change was a constant feature of the business environment. Grant Tinney of the Precise Advanced Manufacturing Group put the view that the important focus for strategy should be on the items which are under the control of the business, e.g. product quality, connections to customers, and guarantee of supply. Risks associated with others, like currency fluctuations, are uncertainties and require businesses to be adept at managing in the face of unknown and volatile circumstances. Exporters need to think on their feet, knowing that change is constant.

## Clusters and value chains

There was some discussion of forming clusters to export or to engage in international business. Rod Martin of education publisher, Era Publications, for example reported that to deal with massive change from shifts to digital and electronic media in the publishing industry, he formed a publishing cluster with some colleagues. This has now resulted in a formal joint venture designed to promote exports and increase opportunities for family businesses. While the individual businesses no longer qualify for the Export Market Development Grants (EMDG) scheme, the joint venture does.

In another example, Glen Wheatley of Best Solutions International, a strategy and board advisory company, noted that a group of carpet companies had banded together and developed a buying cluster to deal with rapid change in their industry and in a way that was relevant to their immediate survival.

As the business evolves beyond export market entry and as exporting persists, then participants reported that the strategic decision becomes on which part of the value chain to focus. This is a decision that affects both their domestic and export business operations and to this extent, the boundaries blur.

Comments were made that whether for export or domestic sale, an enterprise must understand and refine its business model, particularly how it intends to create and capture value for its customers, partners and itself, based on its distinctive skills and competencies. Further, this performance needs to be replicated and sustained. Managing the home front at the same time as exporting successfully was seen to be the toughest challenge.

Global value chains are changing and there are more complex options for internationalising business than just exporting.

There were various specific choices made by companies for organising their international business. One company saw value in networks of agents as less costly than establishing an off-shore office or production facility. Kaminski Australia, the niche high-end manufacturer of fashion hats and handbags, now manufactures offshore; it owns the distributorships in the US and UK but it has managers in place in Japan who sell to retailers and distributors. Different strategies are important for different locations.

With respect to distribution, Khimji Vaghjiani of SolarGem said that as he and his partners set out to establish their business, distributors were asking for exclusivity – they gave it to one or two and then shortly after had other options for distribution emerge. Now they are making distributors prove themselves over certain key performance indicators (KPIs) for six months. They have also been taking test orders and asking for 100 per cent upfront payments to see if the distributors are serious and have the capacity for the task.

Another approach to international business reported in the focus groups painted SME exporters as akin to the conductor of an orchestra, managing the acquisition, assembly, collaboration and delivery of different business elements from around the world into a coherent, credible offering from Australia. For example, Geoff Johnston of One World Environmental Solutions, providing consultancy and logistics solutions to the waste and environment industry, spoke of exporting knowledge services overseas to Vietnam, Canada, the Middle East and New Zealand, at the same time as manufacturing compostable string for the market garden industry in Turkey and Spain, as well as undertaking R&D with Ho Chi Minh University in Vietnam. Similarly, Amorini Australia sources Italian designs, German components and French and English software systems to which they supply their expertise to assemble and integrate components into kitchens that are sold to China; and all the while, accessing the latest technology to improve the efforts of local suppliers in Australia.

## BUSINESS IMPACTS

A key feature of this study was to better understand how trade and exporting relate to the productivity and innovation performance of Australian firms. Within the focus groups, the realities of productivity and innovation were broadly discussed as positive business changes, new ways of working and transformations in the business capabilities of the enterprise and its attractiveness and value to customers.

The main areas of productive and innovative business change commented on by participants can be summarised as strategies for:

- redesigning the enterprise's supply chain;
- investing in online and information technologies;
- attention to staffing and skills; and
- responsiveness to customers and markets.

### Redesigning the supply chain

A common question was how the boundaries of the firm are being reconfigured. Also, what niches or elements of global value chains are best suited to particular firms. Further, how value is captured for Australia and the Australian firm when production and other elements of the business are not conducted in Australia.

The issue has changed from how to increase exports from Australia to how Australia captures value from its specialised global engagements.

Many businesses are redesigning their supply chains and changing their systems for doing things. Some set up manufacturing operations overseas to be closer to their markets. Some produce components for intermediaries who are the exporters. Others are producing in adjacent third-country locations in joint ventures with their trading partners.

In the past, exporting was more clear-cut because it was a matter of producing everything in Australia and shipping it offshore. Now, elements of the design, production, sales and after-sales

services of international trade are unbundled and disaggregated around the world. It is a matter of business strategy to decide which part of the value-adding process to retain in Australia. The only way to compete is to look at the different components of the process and decide 'what (should) be done where'.

The boundaries are blurring with new and more diffused models of exporting evident as a reality of global trade.

Participants suggested another option is to 'sell the knowledge not the product', in the sense of adding services and expertise to products. For example, Brad Awerbuch of Atlas Export Agencies plans to increase exporting. While his business is winding down operations in Australia and NZ and shifting production to China, he will focus on retaining the knowledge base in Australia. He will spend more time on more R&D and on product development and process improvements.

Precise Advanced Manufacturing Group says they have been transitioning their business constantly for 20 years – from a precision mould exporting business to an automation business to now a project management business for mould and die manufacture.

Organisational psychologist, Shelley Rogers operates a cultural advice business that is helping Australian businesses work with China and is now looking to license and export this expertise in the form of training materials to the US and Asia.

Cerberus Sciences' Bob Stevenson says they have become a net importer of biological products and a net exporter of expertise.

Selling ideas, brains and services highlighted the issue of protection of intellectual property, on which opinions varied. However, there was a strong theme on the value of international collaboration not patents, as put succinctly by Darby Johns of archival and records management storage products manufacturer, Albox Australia, favouring open source innovation and collaboration internationally. The sentiment was summarised as "my best protection is other people using and working in my space".

Australia's reputation for design and product quality as a competitive branding opportunity was experienced by several participants particularly in India and China. One participant argued strongly that there is a real opportunity for Australian companies to 'leverage their closeness with Asia'. Australians are very comfortable in Asia, he argued, and their knowledge is a comparative advantage that Australian businesses could be using more in their export strategies. Examples were given of European-based multinationals seeking Australian advice about market entry into China and Asia more generally.

Another approach referred to earlier is the formation of clusters as an aid to export. There are examples of companies banding together to share costs, to serve larger markets they could not do alone, and to swap information and intelligence. Rossi's Shoes added a further insight on the need for collaboration to access capabilities no longer available in Australia, like buying groups in more traditional and mature industries.

## Online and information technologies

There was a resounding theme from participants of the importance of using information technologies and the internet to extend and transform their business offerings, marketing opportunities and competitive capabilities. In short, online and information technologies were recognised as enabling technologies serving to make Australian SME exporters both more productive and more capable of serving customer needs in superior ways to their competitors.

The use of information technologies and the web are proving essential to business performance and success for Australian exporters, and they are using online technologies in a variety of ways to enhance their business processes, customer relationships and competitiveness.

It is commonplace for enterprises to use their websites to inform and create awareness of their distinctive product or business offering. The web is replacing the need to send samples to buyers or even to participate in trade fairs. Further, some are actively engaged in e-commerce and online retail directly to consumers, while others extend into tracking orders and deliveries and managing an integrated and internet-enabled supply chain as a key part of their company's value proposition for excellent customer service and reliability of supply.

Wallcann, a company based on a technology platform to generate shopping and sales via the internet for both suppliers and consumers, provided a particularly good example of a business model where being online and global are fundamental features. Clive Wallace described Wallcann's efforts to use new software and applications to promote brands and make sales, e.g. cosmetics and wine into China, by seeding awareness and building demand through the internet and 'social commerce'.

One participant reported a company's particular online strategy used to deliver its education programmes, which also served to improve the company's operating model and to deal with difficulties in protecting intellectual property in China. This company used an online membership for customers to access the education programme in an effort to avoid the programme being widely available and open to copying.

## Staffing and skills

Another recurring theme from focus group comments was that the difference between success and failure in exporting often depended on the people in their business and the skills they brought to the task.

Among the sentiments expressed were the following:

- Buy people who know what they are doing.
- Our staff were tertiary trained, had years in the industry, but their people skills improved due to their exporting experience.
- Tap into all our nationalities (in Australia), like people of Indian origin in the UK who are now successful CEOs of multinational corporations in India and elsewhere.
- Our company started as friends and family but has evolved into a team of professionals with specific skills. We had to buy talented people and invest in them. Now there are more tertiary trained people with depth of experience.
- It's about personal linkages, people who are globally-focused these days. Use existing networks and personal contacts.
- Foster collaboration skills where you can identify what each partner is good at, how they complement each other, and how all win, e.g. to get products into Dubai required a 'cluster' of like-minded people with absolute trust in each other; not just about the deal for today but for 100 years.
- 'Guanxi' (relationship) is a common concept, even outside China. Relationships have primacy over rules. This was taken to the extent by one participant of employing a Chinese national to tutor his teenage children on an Asian model work ethic, language and culture, which he saw as essential for future international business.

Scott Begbie of APC Technology captured the importance of people and culture: “We don’t go anywhere without our Singapore guy. I say that meeting went well, and he says no it didn’t. He opens doors, understands culture and sub-text.”

The role of having the right people as mediators was seen to be critical, particularly their knowledge of products and of the appropriate channels to market.

## Responsiveness to customers and markets

Mark Laucke of Laucke Flour Mills put the key issue of trade and productivity succinctly: “The critical thing is having a product that someone needs and understanding how markets operate.”

The vital features of responsiveness to customers and markets, the ability of companies to learn and their agility in bringing new competitive offerings to market were elaborated on by many participants, as was the need to be able to sustain international operations for the long haul and not to be sidelined by short cuts and easy wins.

Kim Darling of Kaminski Australia noted that marketing was key – not being supply-driven, but finding out in detail what the market wants, and so increase the level of quality and desirability of the product, and the price customers are prepared to pay.

Demanding customers drive quality, performance and productivity.

James Bunn, with a background in media exports and born global businesses, commented on the importance of getting the fundamentals right. A competitive and attractive Australian product is possible by a focus on costs, processes and good management. Do things cost effectively and most importantly, know the demand.

Listening to what customers want, collaborating with customers as part of the production process was seen as essential R&D by several participants. Similarly, diversifying the product range and adapting products to meet consumer preferences and tastes in different markets was a common experience. This was the case in companies as diverse as chocolate manufacturer Sweet William to SolarGem adding solar-powered fridges for vaccines and small TVs to their core product of solar lighting.

Ideas for entire new products and innovations in the delivery of products and services were reported as the outcome of engaging positively with demanding customers. Selling services and expertise as well as products was a powerful tool mentioned in several contexts about strengthening exports.

A related recurrent theme is the importance of being a learning organisation – learning from mistakes, learning by doing and learning by seeking out knowledge and interacting with others as a matter of course. This was emphasised by Rod Martin of Era Publications from the angle of longer time horizons to experiment and learn. Steve Bosley of Amorini Kitchens reflected on the benefits of having a smaller organisation that can move and make decisions faster, with the speed to improvise.

Collaboration with universities and researchers was highlighted by several participants as a valuable source of new knowledge and applied problem-solving. The importance of business networks and open source collaboration was emphasised by Grant Tinney of Precision, Darby Johns of Albox Australia and Geoff Johnston of One World Environmental Solutions among others – illustrating the potency of clustering for knowledge flows across many sectors.

Overall, the essential message about how exporting is linked to productivity, innovation and performance is that it is about enterprises being fast, agile, engaged with end users, open to new ideas and highly connected to other businesses and economic actors. These are the attributes that will help SMEs deal with setbacks, discover new opportunities and persist in the long run.

Trade and productivity for Australian SMEs serve the same master – helping in the unending search for new ways to gain a competitive edge by offering more innovative solutions to customer and community problems.

## HELP AND HINDRANCES

When discussing their experiences of the obstacles and important sources of help for doing business internationally, three key issues emerged from the focus groups. These were:

- the effects of regulation;
- the value of government programmes; and
- priorities for trade policy and business strategy.

### Effects of regulation

Two opposing perspectives were voiced on the effects of regulation, some considering it burdensome and others viewing it as an inevitable element in the business environment that can have positive effects in driving better business practices and technological advances.

Milan Grzic of Sweet William, the dairy-free chocolate producer, put the case that inconsistent and variable food standards, labelling and packaging regulations, combined with the costs of a strong Australian dollar, government incentives to relocate to Eastern Europe, and important relationships and demands from key retail customers in the UK, warranted serious consideration of his company moving to the UK or continental Europe.

Mark Laucke of Laucke Flour Mills added his perspective that the regulatory environment makes it difficult to import products and source raw materials principally due to biosecurity concerns, and the lack of a common or aligned set of food standards acts as a barrier to trade with other countries.

Others added their experience of regulatory requirements being side-stepped by small competitors serving end-customers directly ‘under the radar’.

The alternative perspective put by participants including Era Publications, One World Environmental Solutions, Aussie Inc. and Best Solutions International saw the testing, compliance and standards required for exporting having positive spillovers on production for local markets. It was noted, for example, that Australia had pioneered international best practices in some areas of the waste and environmental industries, a case where compliance with environmental regulations is driving innovation and technological advances.

### Value of government programmes

Government programmes aimed at assisting Australian exports and trade had mixed reviews. There was a general view that the existence of government programmes is not a reason to export, but if companies intend to export, then well-designed and skilfully-administered government assistance is helpful.

Many participants spoke extremely positively about the value of the EMDG scheme, commenting that they could not have gone overseas without it.

Some commented, however, that the degree of effort in seeking grants was not worth it. Others argued that more commercially-minded people with actual overseas experience were needed to manage the grants assessment and administration process. Processes tended to overtake outcomes in grants administration.

One participant had benefited from the R&D Tax Incentive and the EMDG scheme, but commented on the difficulties for small business cash flow when having to pay up front before being reimbursed. Other participants found state government programmes helpful, e.g. Australian Technology Showcase, the Market Access Program and the Innovation Pathways programme.

Funding for start-ups and the big gap with funds for early stage commercialisation was reported as a critical issue. It has resulted in many looking overseas for capital and perhaps being bought out too early.

Experiences in dealing with Australian representatives overseas were varied – depending on the people, some were helpful and others not. One view was that the web was a better vehicle than generalist trade officials on the ground. Some saw Australian trade representatives as specialists only in the ‘old economy’ industries, with little expertise in services industries and the like. A contrary view put the onus on companies themselves to take the initiative and ‘educate’ Australian trade officials about the details and distinctiveness of their new and forward-looking business models.

Overall, participants agreed that government programmes cannot substitute for an enterprise’s business model being robust in the first place. That said, more funding was recommended for participation in trade fairs, reducing the transaction costs of international trade, and in forming clusters for entry, marketing and mutual support for doing business internationally.

## Priorities for trade policy and business strategy

A key headline theme about Australia’s trade policy was that it should reflect the contemporary realities of doing business globally. The challenge is not how to increase exports, but how to get Australian firms plugged into global value chains. The imperative is how Australia captures value from its global engagements, not just measuring what is made in Australia and exported.

The comment was made that trade statistics measure the wrong things. There are deficiencies in defining what constitutes international trade from and to Australia and how trade in services and intangibles are accounted for.

The growing importance of the low carbon economy and its implications for Australian exporters was highlighted by some participants. The example was given of UK retail companies insisting that their suppliers reduce their carbon footprint, or the effect of the concept of ‘green miles’ on goods imported from Australia. The impact of resource efficiency and sustainability needs to be anticipated and planned for in today’s business strategies for trade.

Little mention was made in the focus groups of tariff policy or the operation of free trade agreements. Instead, ‘behind the border’ issues were of concern, e.g. intellectual property protection, getting paid, EU sugar levies, US regulations on food products and the like.

Finally, governments were counselled to be more far-sighted and activist in trade policy. Australia would benefit from some ‘futures thinking’ by government, with 20 year, not three year, horizons.

Attention needs to be paid to activities which are valuable for the industries Australia is good at and building our capabilities, skills and market opportunities in these real growth sectors, not wasting money on declining industries. It is important to build on existing industry expertise and comparative advantage when governments decide to take action.

The view of participants was that the government's function with vulnerable industries is to help them to transform and to anticipate and tool up for new opportunities and markets.

Participants favoured financial support to help clusters of companies to form, to cooperatively find solutions to the big intractable problems Australia faces and to sell these solutions to the world. This was seen as an effective vehicle to build a critical mass of Australian capabilities, while recognising that resources are limited.

The end game, however, according to our participants rests with businesses themselves – being outward-looking, inventive, nimble, persistent and unafraid of learning and doing something new.

## HEADLINE INSIGHTS FROM FOCUS GROUPS

### ***Global value chains, not exports***

Exporting is too narrow a concept to reflect the reality and diversity of how Australian SMEs are doing business internationally. They are taking advantage of increasingly unbundled global production and supply chains with different specialist functions distributed around the world. The various examples of Australians doing business internationally include outsourcing manufacturing operations offshore, but retaining design, R&D or management functions in Australia; exporting knowledge and expertise, not products; use of networks of agents or distributors; formal joint ventures in overseas markets; and complete offshoring and relocation.

### ***Business boundaries blurring***

These more varied and complex options for international trade are serving to blur and reconfigure the boundaries of the firm. They also make collaboration abilities and the skills and agility of personnel 'mission-critical' for businesses, as they work to capture value at home from their engagement in global supply chains.

### ***Constant competitiveness search***

Whether the business decision to export was strategic or opportunistic, Australian SMEs engage in international trade as a series of searches to understand in detail what customers and markets need and want and to diversify, adapt and extend the range of their business offerings in response.

### ***Intangibles matter***

Australian SME exporters understand the importance of intangibles for business performance and success internationally – building personal connections and trust-based relationships not just business transactions; understanding cultural expectations and differences; and the value of belief, persistence and learning from mistakes.

### ***Transformed by online and information technologies***

The use of online and information technologies are proving essential in enhancing the business models and processes, customer relationships and competitive capabilities of Australian exporters.

(Continued)

***Behind the border***

Tariffs and free trade agreements are less important to Australian SME exporters than government action on 'behind the border' issues like the effects of regulation, facilitating trade relationships and flows of knowledge, reducing the transaction costs associated with international trade and helping Australian firms band together to operate for the long haul in global markets.

***Forward-looking trade policy***

There is a need for a forward-looking trade policy for Australia over longer time horizons, with wider measures of success than just export numbers, and action to remove impediments to growth industries for the future based on Australia's natural or created competitive strengths.

# Last words

The focus groups add to the information from surveys on the features that distinguish exporters from other firms. They highlight a new approach to serving foreign markets – at least in some goods and services. Traditional forms of exports, such as commodities, remain important but flexible, adaptive organisations are operating in niche areas.

The old model is to look for access to foreign markets for domestically-produced goods and services.

The new model is value adding in global supply chains, all the time working back from what foreign markets want. High-value services (design and marketing) are retained but with many components of the supply chain offshore in a variety of arrangements – foreign direct investment (FDI), outsourcing, and collaboration/joint ventures.

There is a new focus on key markets, with a blurred distinction between the export and domestic market, and these businesses are not only significant exporters but also import foreign products into Australia.

Some older firms are in a process of transformation through unbundling and ‘carving up’, serving traditional markets from new locations and retaining the higher value information and management systems in Australia. Some new firms start up in different forms.

Exporting both influences, and is influenced by, the productivity, innovation and performance of Australian firms. Exporters, including those which are SMEs, are fast, agile, engaged with end users, open to new ideas and highly connected to other businesses and economic actors.

This picture is not available from reading the survey data. Where, for example, does the activity behind an Australian-designed product, manufactured in China and marketed into the US, appear in Australia’s trade data? Collected data contain value information, for example, about a series of ‘export premiums’, but data collection must become more attuned to the new model. At the same time, governments could valuably ask new questions about the purposes of their export promotion programmes in this environment.

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# Appendix – Focus group participants

## **Sydney**

Atlas Export Services  
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Australian Business International Trade Services  
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Australian Institute of Exporters  
Peter Mace

Industry and Investment NSW  
Dominique Ogilvie  
Export Advisor

J Capital  
Peter Janssen

Kaminski Australia  
Kim Darling  
Managing Director

SolarGem  
Khimji Vaghjiani  
CEO

Sweet William Pty Ltd  
Milan Grzic  
CEO

The TPL Group  
James Bunn

## **Adelaide**

Albox Australia  
Darby Johns  
Managing Director

Amorini Australia  
Steven Bosley  
Managing Director

APC Technology  
Scott Begbie  
General Manager

Aussie Inc.  
Todd Miller  
Chief Executive

Best Solutions International  
Glen Wheatley  
Managing Director

Cerberus Sciences  
Bob Stevenson  
Managing Director

Era Publications  
Rodney Martin  
Managing Director

Individual and Organisational Development  
Shelley Rogers  
Director

Laucke Flour Mills  
Mark Laucke

Norman Sheun Architects  
Norman Sheun  
Managing Director

One World Environmental Solutions  
Geoff Johnston  
Managing Director

Precise Advanced Manufacturing Group  
Grant Tinney  
CEO

Rossiters Pty Ltd  
Dean Rossiter  
CEO

Wallcann  
Clive Wallace