




TRADE PROMOTION SUPPORT SERVICES - A German Case Study

PM & Partner Marketing Consulting GmbH
Frankfurt | Munich | Berlin | Chicago
www.pm-p.de

PM & P

About PM & Partner Marketing Consulting GmbH

PM&P is divided into 3 areas of activity



Regional Development

PM&P is one of Europe's most experienced consulting companies for Investment Promotion Agencies. PM&P can build on nearly 40-years-track-record in attracting foreign direct investment for agencies worldwide.



Marketing Consulting

PM&P is assisting companies developing current and new markets. Our combination of research and consulting services provide our clients with a unique support for their strategic and operative decisions in existing and new markets.



Marketing Research

PM&P MARKET RESEARCH is a business unit of PM&Partner Marketing Consulting GmbH specializing in Market Research for the Healthcare Industry, and, on a broader scale, in Business-to-Business Research.

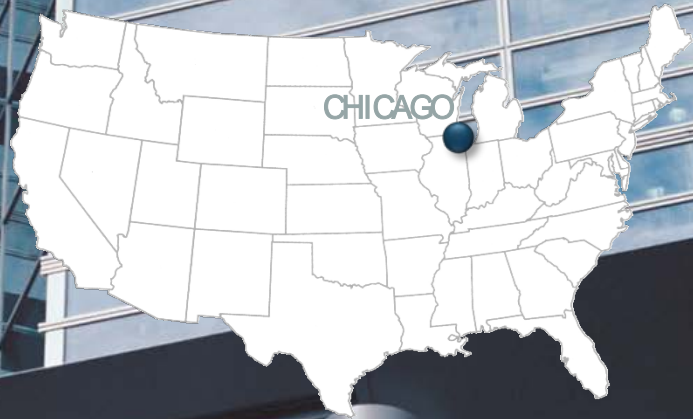
- Founded: 1974
- Professionals: 25
- Ownership: Conway Inc. holds 1/3 of PM&P shares
- Global Alliance: PM&P partnered with leading independent consulting and market research companies worldwide.



About PM & Partner Marketing Consulting GmbH

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Business Opportunities in Europe



PM&P represents the EU-market out of its three strategically located offices in Germany:

- **Frankfurt** - Headquarter and Germany's center for the financial sector and international air hub.
- **Munich** - In the heart of the economically powerful south.
- **Berlin** - Germany's capital and political center.
- **Chicago** - US-office for the North-American market

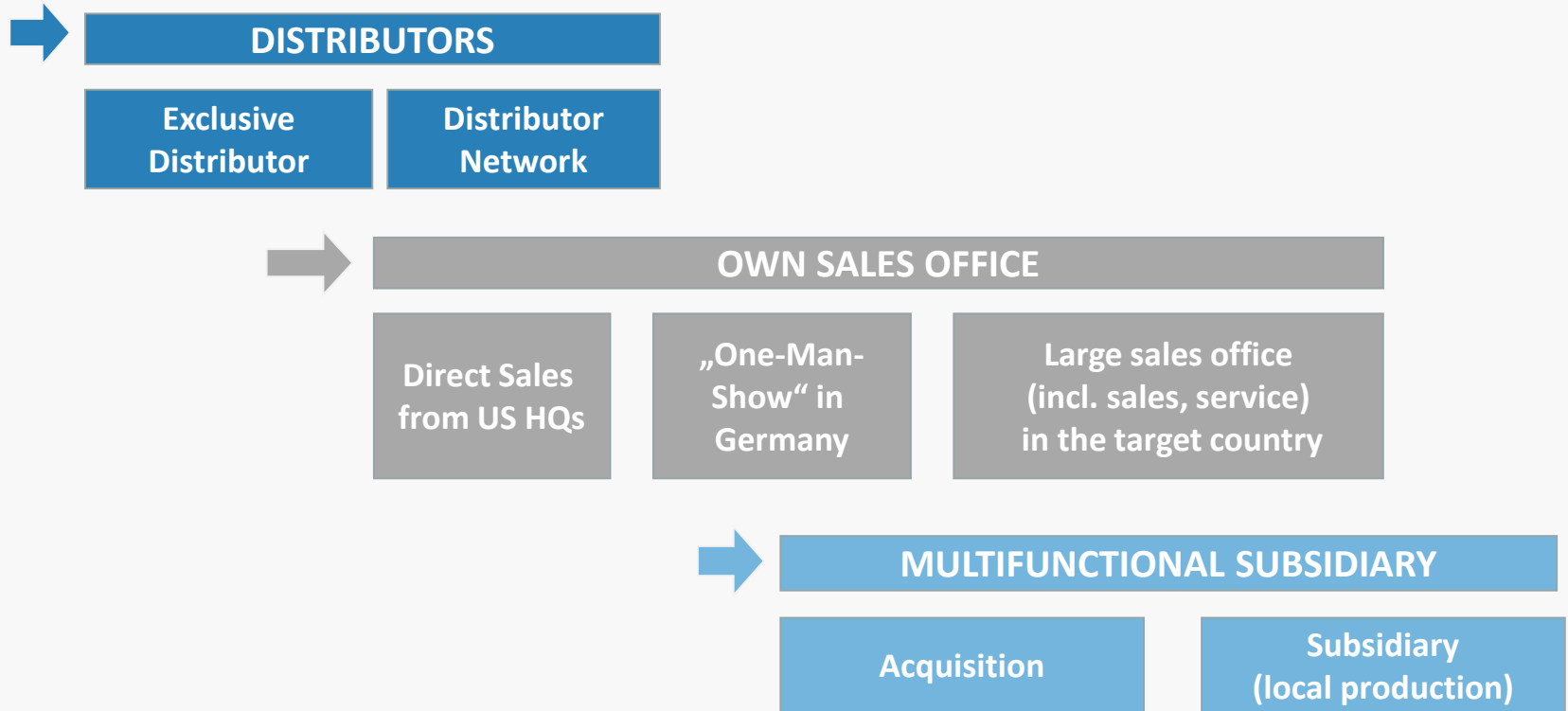
Our Clients

 <p>Invest in Morocco Sharing Success</p>	 <p>EMERSON</p>	 <p>ALSTOM</p>	 <p>Abbott A Promise for Life</p>	 <p>Stockholm The Capital of Scandinavia</p>
 <p>AIM</p>	 <p>Federal Ministry of Economics and Technology</p>	 <p>ONLYLYON</p>	 <p>extenda AGENCIA ANDALUZA DE PROMOCION EXTERIOR</p>	 <p>Federal Ministry of Transport, Building and Urban Development</p>
 <p>INVEST IN GREECE AGENCY</p>	 <p>BUSINESS Birmingham</p>	 <p>THE RIGHT PLACE Advancing the West Michigan Economy</p>	 <p>Marketing Birmingham</p>	 <p>ZAB ZukunftsAgentur Brandenburg</p>
 <p>SIEMENS</p>	 <p>SULTANATE OF oman</p>	 <p>JETRO Japan External Trade Organization</p>	 <p>EUROPEAN COMMISSION Regional Development Programmes</p>	 <p>BASF We create chemistry</p>
 <p>Namibia INVESTMENT CENTRE Unleash Your Investment Potential</p>	 <p>PARIS VAL DE MARNE</p>	 <p>BaselArea</p>	 <p>global Delaware</p>	 <p>UK TRADE & INVESTMENT</p>
 <p>ENTERPRISE FLORIDA</p>	 <p>MISSOURI Department of Economic Development</p>	 <p>Berlin Partner</p>	 <p>bw-i Baden-Württemberg International</p>	 <p>Roche</p>
 <p>IFC International Finance Corporation World Bank Group</p>	 <p>Metal Park Delfzijl</p>	 <p>Team neo Cleveland+</p>	 <p>Federal Ministry of the Interior</p>	 <p>BAHRAIN ECONOMIC DEVELOPMENT BOARD</p>

Trade Promotion Concept

Individual Market Entry Assistance

Our services help your organization accelerate growth with foreign trade. Our trade promotion services are often provided in a combination with investment promotion services.



Trade Promotion Concept

Our Approach

Effective trade promotion relies on an understanding of your supply side capabilities and competitive strengths aligned with an ability to scan and zone in on relevant market opportunities.

Phase 1: Research

- Understanding the client and the target market
- Defining partner criteria
- Definition of USP
- Using PM&P's market intelligence
- Using PM&P's database

Phase 2: Evaluate

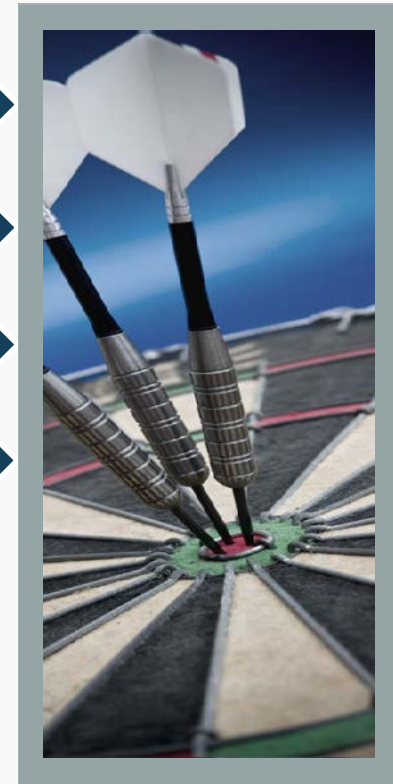
- Long Listing
- Short Listing
- Creating company profiles
- Procedure Planning / Scheduling
- Documentation

Phase 3: Target

- Multi-Channel Approach (Phone, Email, Fax)
- Meetings
- Networking
- Trade Shows
- Follow-Up
- Relationship Building

Phase 4: Perform

- Scheduling meetings
- Supporting negotiations
- Key Account Management
- Final documentation



Trade Promotion Events

Match-Making-Events



- **Match-Making-Events** are a particularly efficient way to bring together potential business partners. It can be organized in conjunction with other events (trade missions, exhibitions, etc.) or stand-alone.
- The goal is to find an appropriate framework for **personal meetings with promising candidates** for any business venture (supplier partnership, distribution partnership, licensing, R&D, etc.).
- Company heads profit from the **networking opportunity** to get in direct contact with other decision makers in a casual and relaxed atmosphere.

Trade Promotion Events

Match-Making Questionnaire

SECTION 1: COMPANY PROFILE

Company name

Address (street | ZIP | City | Country | URL)

Contact person

Contact information (Telephone | Fax | E-Mail)

Legal form:

Ownership:

No. of employees:

Annual sales volume (US\$):

Branch of industry/services:

Products manufactured and sold:

Manufacturing facilities:

Target markets (geographically/by sector):

Sales and distribution network:

Countries already served:

Presence outside of home country:

Presence in North America:

Specific strengths of company:

Brochures of company attached:
 Yes No

Trade Promotion Events

Match-Making Questionnaire

SECTION 2: TYPE OF PROJECT ENVISAGED

1. Purpose of cooperation

- Joint production in Northeast Ohio/Ohio
- Distribution of products in North America
- Export of products to third countries
- Licensing out own technology
- Joint marketing activities in North America
- Joint marketing activities in Europe
- Joint development of new markets (please specify)

2. Timing envisaged

- Search for a Northeast Ohio partner can start immediately
- We are interested in meeting potential partners
- Others (Please explain)

SECTION 3: DETAILS OF POTENTIAL PROJECT

1. Please describe the products/services/technology the optimal partner should offer:

2. If sales representation of your company

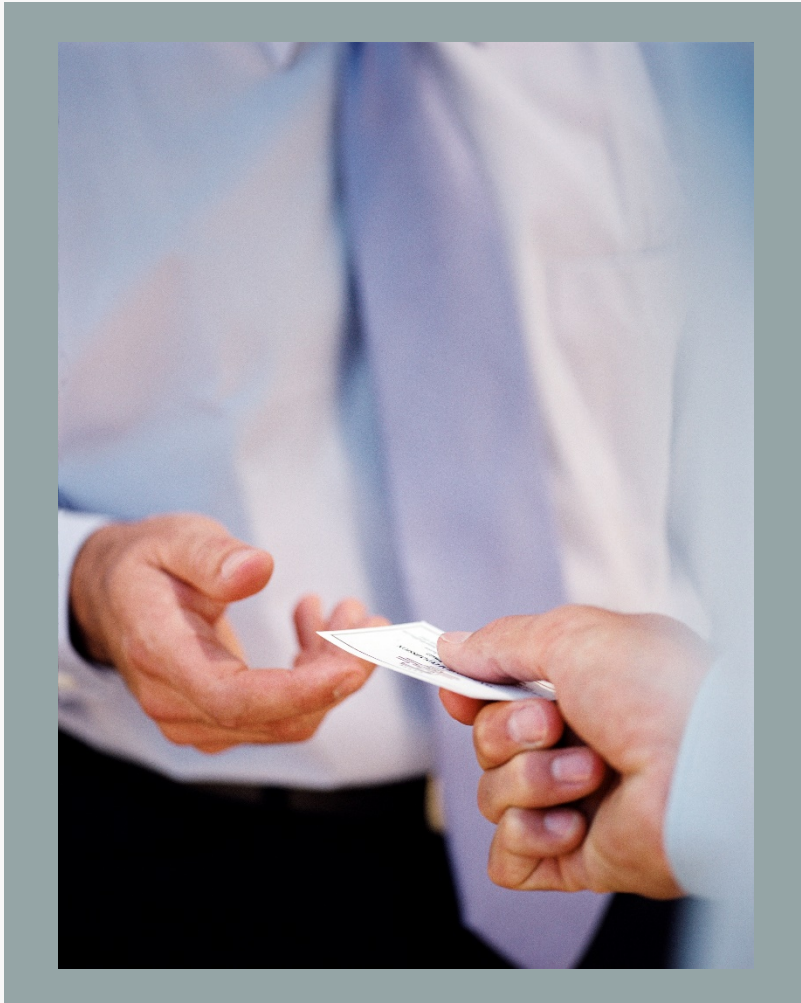
<input type="checkbox"/> Will the Northeast Ohio partner take over existing customers or contacts of yours?	<input type="checkbox"/> Can you indicate what sales volume he can expect from these contacts?
<hr/>	<hr/>
<hr/>	<hr/>

The questionnaire ensures...:

- **High amount of information** of participating company
- **Structured research** of potentially interested companies
- **Well organized events** with matching companies
- **Concrete advisory potential** thanks to the amount of specific information
- **Strong business relationships** between companies

Trade Promotion Events

Exhibitions



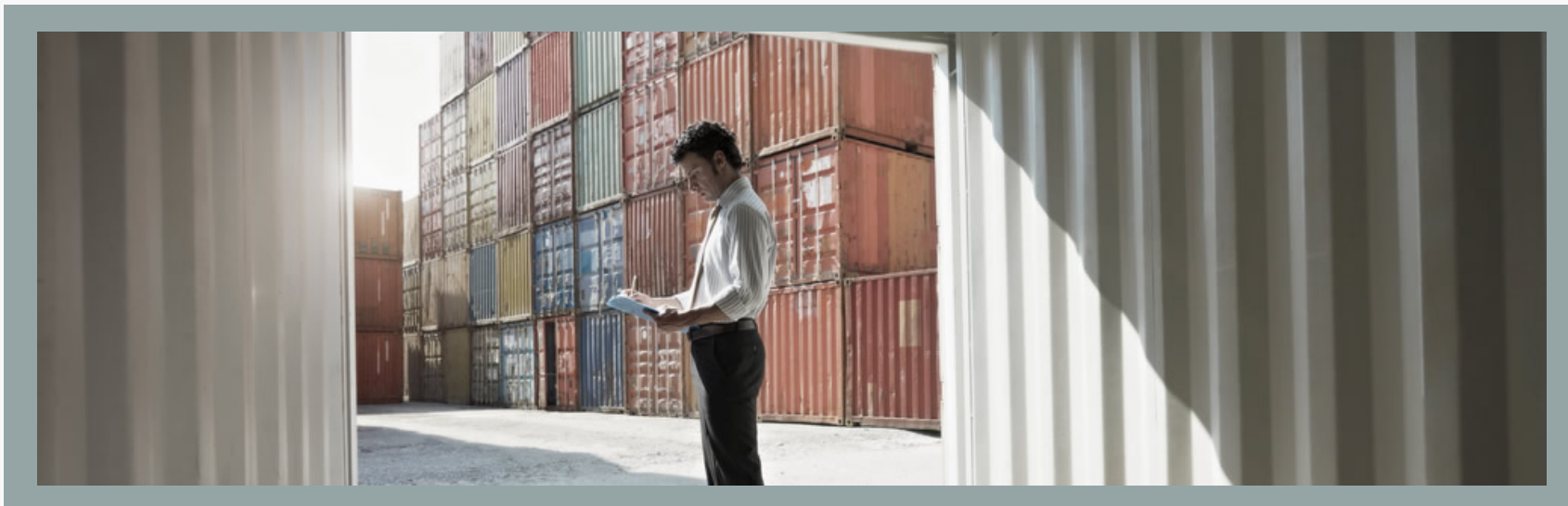
A highly effective measure is to help small and mid-sized companies participate at **large international fairs**.

PM&P provides assistance with:

- **Direct marketing** among visitors and exhibitors of the fair
- **Arranging appointments** with potential customers (combined with direct marketing)
- **Organizing events** in conjunction with the exhibition (e.g. match-making event)
- **Accompanying on exhibition** attendance
- PR measures to promote the joint stand

Trade Promotion Events

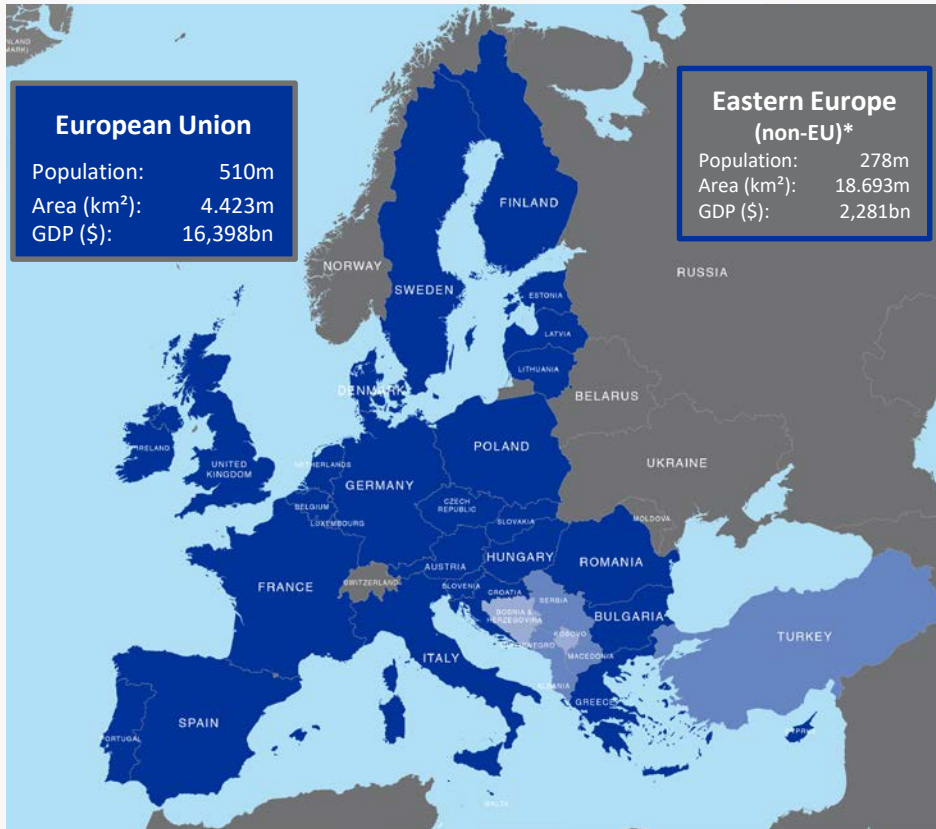
Trade Missions



- **Trade missions** are joint company visits to an export region, in order to explore a new market and/or to meet potential business partners.
- In some cases these missions cover not only trade but also **investment promotion**.
- PM&P organizes visits for foreign companies in Europe and for European companies going abroad.
- Our clients are private companies, Trade Promotion Agencies, Federal Ministries or institutions of the European Union.

Business Opportunities in Europe

Europe – Facts & Figures



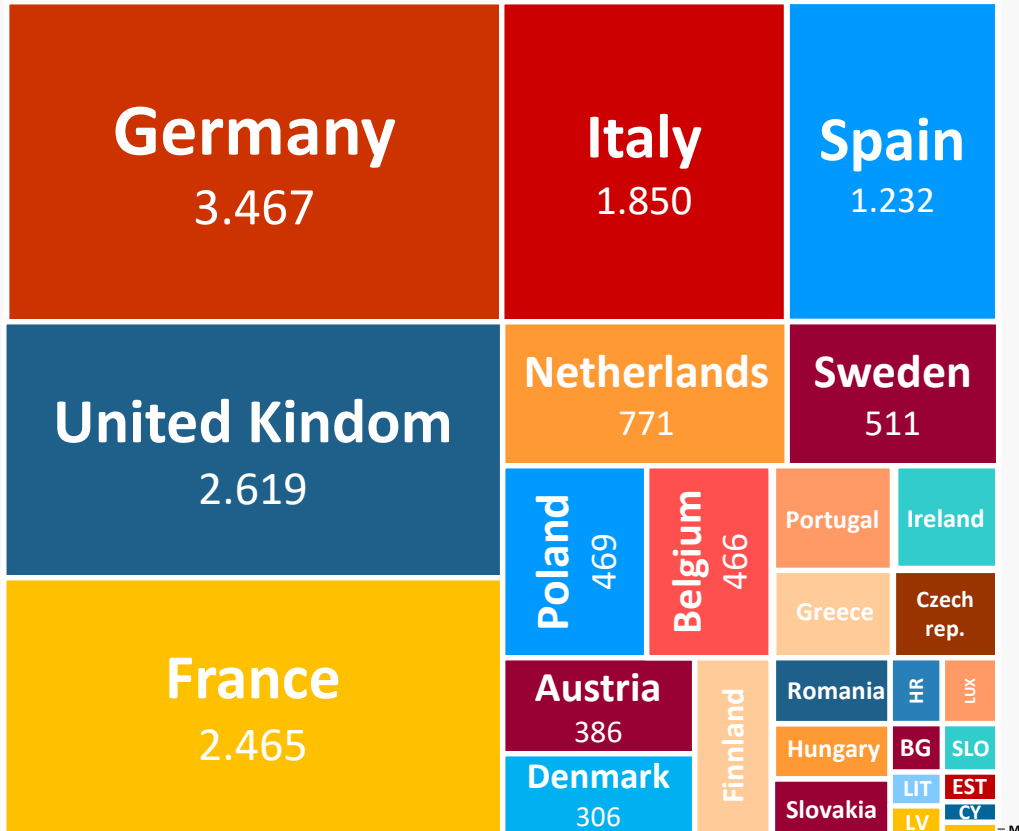
*Russia, Belarus, Ukraine, Turkey

The European Union is a unique economic and political union between 28 European countries that together cover much of the continent.

- The first steps were to foster economic cooperation: the idea being that countries that trade with one another become economically interdependent and so more likely to avoid conflict.
- The result was the European Economic Community (EEC), created in 1958: Since then, a huge single market has been created and continues to develop towards its full potential.
- Potential new members are: Albania, Macedonia, Serbia, Bosnia & Herzegovina adding additional 81bn USD GDP

Business Opportunities in Europe

Europe – Facts & Figures



GDP of European countries, 2016 (trillion US\$); Source: Destatis

The European Single Market refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services.

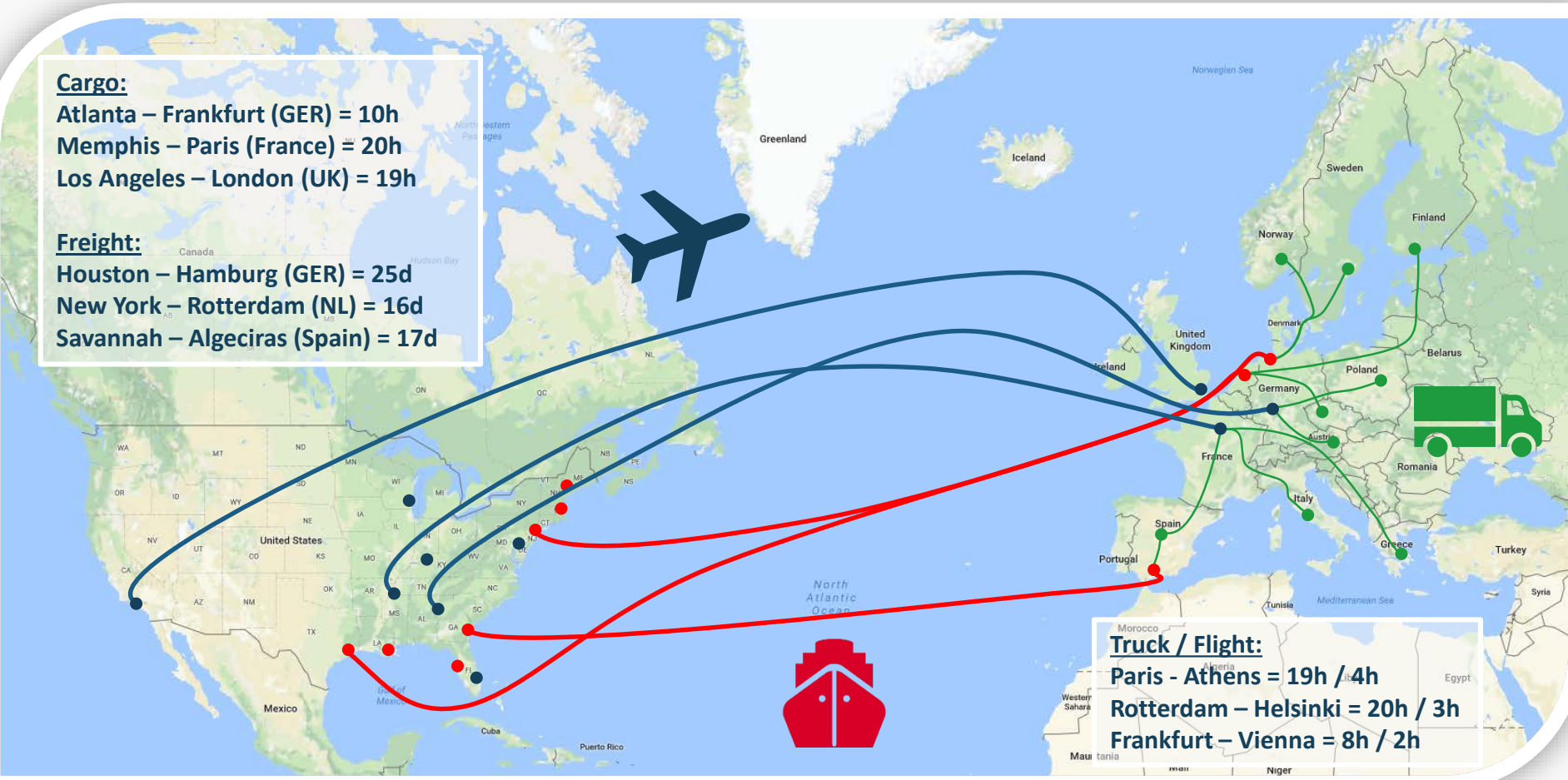
- EU population (2016): 510 million.
- 28 member countries have a nominal GDP of US\$ 16.487 trillion.
- EU members Germany, France, UK and Italy among the ten largest economies in the world with Germany as Europe's power house.
- Impact of Brexit is not yet predictable - Brexit vote has thrown up big questions about future trading.

US – European Trade Relation

Europe – Facts & Figures

Cargo:
Atlanta – Frankfurt (GER) = 10h
Memphis – Paris (France) = 20h
Los Angeles – London (UK) = 19h

Freight:
Houston – Hamburg (GER) = 25d
New York – Rotterdam (NL) = 16d
Savannah – Algeciras (Spain) = 17d



Truck / Flight:
Paris - Athens = 19h / 4h
Rotterdam – Helsinki = 20h / 3h
Frankfurt – Vienna = 8h / 2h

Sources: Lufthansa AG & Delta Air Lines
searates.com



US–European Trade Relation

Why trade matters



- The United States of America and Europe have a **long-lasting political, social and economical relation** due to their common history.
- The intercontinental trade between the USA and the EU is most important for both sides and is **worth 619.6 billion US\$** (Imports and Export combined).
- Both parties combine a nominal GDP of 34.88 trillion US\$ (EU 16.31 trillion and USA 18.57 trillion).
- Annual GDP growth rate of 1,6% (US) and 2,0% (EU)
- The EU receives approx. 14,6% of their imports from the USA, besides it exports around 1/5 of it's goods towards the United States

Germany – Facts & Figures

Business Opportunities in Europe

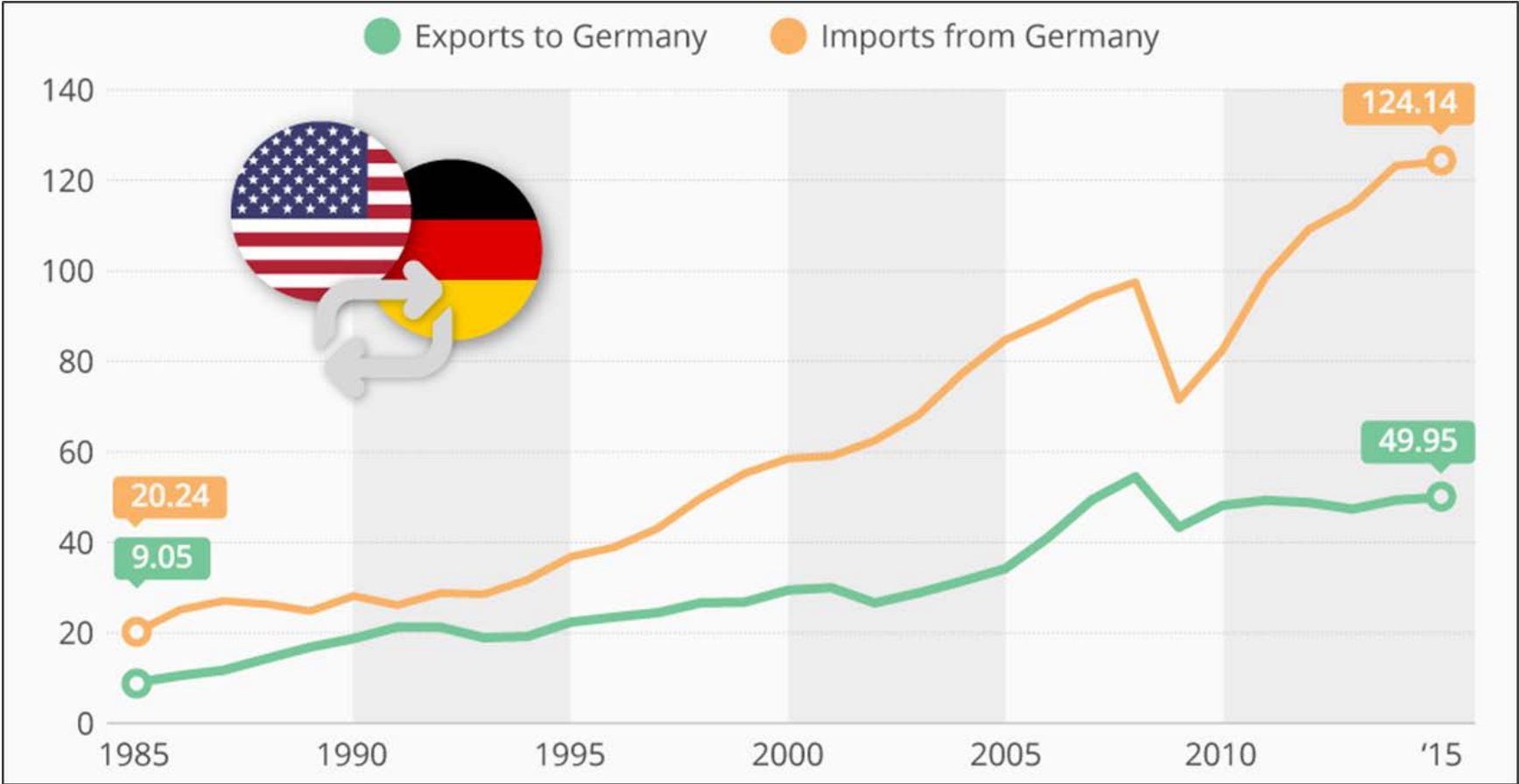


Germany inside Europe:

- Around 20% of global exports and imports are from or to the EU.
- Germany (22,8%), The Netherlands (12,5%) and France (8,7%) have the highest inter-European export percentage
- The highest import-rate of the inter-European trade have Germany (20,9%), France (11,8%) and the UK (9,6%)
- Continuous, positive growth of trade balance since 2012.
- Current exchange rate promising for export increase of US-companies.
- The German economy is the world's fourth largest and accounts for more than one-fifth of European Union's (EU) GDP.

Germany – Facts & Figures

USA – Germany trade relations evolving



Volume of imports and exports of trade goods from and to Germany (in billion US\$); Source: US Census Bureau, US Department of Commerce

Germany – Facts & Figures

Business Opportunities in Germany

Germany is the economic backbone of Europe and one of the world’s most powerful economies:

- Population 2016: 82.7 million
- GDP (nominal) 2016: US\$ 3.5 Trillion, GDP per Capita 2016: US\$ 42,000
 - World’s fourth largest
 - One-fifth of EU GDP
- Unemployment rate 2017: 3,6%
- In the EU, Germany has:
 - the highest GDP
 - the largest population
 - and the highest purchasing power



Germany – Facts & Figures

Business Opportunities in Germany

- Germany is located in the center of Europe, surrounded by nine neighboring countries
- Germany is a federation consisting of 16 federal states – the economically strongest are:
 - North Rhine-Westphalia (GDP 738 billion US\$)
 - Bavaria (GDP 600 billion US\$)
 - Baden-Württemberg (GDP 501 billion US\$)
- The 3 largest cities are Berlin (3.5 million), Hamburg (1.8 million), Munich (1.5 million)
- Alongside well-known global players, the small and medium sized enterprises (SMEs) are the nucleus of the German economy:
 - 99,6% of all German companies are SMEs (3.45 million)
 - 16.85 million employees (58,5%) are working in SMEs
 - Approx. 44% of global trade from Germany is through SMEs



Germany – Facts & Figures

Secrets of Germany's economic strength

What makes the "German model" work so well? – the Key Factors

- **Deregulation of the job market:**
Short-time work allowance helps to preserve industrial jobs in times of crisis.
- **Well-qualified and motivated workers contribute to Germany's high productivity:**
A result of the excellent education system, adapted to modern technological needs.
- **Family businesses - the "German Mittelstand" is the backbone of the economy:**
SMEs stand for 99% of the approx. 3.5 million companies in Germany, most of them are family-owned.
- **Focus on profitable niches:**
German production is targeted at the global demand for luxury cars, specialized machinery, etc.
- **Germany is forced to be innovative – there are no natural resources:**
Companies and government spend about 110 Billion US\$ (3 % of GDP) on R&D in 2015. The current government is striving to increase it to 3.5 % within the next four years.

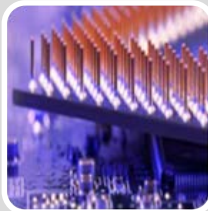


Germany – Facts & Figures

Key Industries



Emerging Industries
- Nanotechnology
- Energy Storage
- Safety & Security Industry



Electronics & Microtechnology



Energy & Environmental Technologies
- Bioenergy Industry
- CHP Industry
- Environmental Technologies



Business Services & ICT
- Shared Services Industry
- Contact Center Industry
- ICT Industry



Life Sciences
- Medical Biotechnology
- Medical Technology
- Pharmaceutical



Logistics & Mobility
- Aerospace
- Automotive
- Logistics



Chemicals & Materials
- Chemical Industry
- Industrial Biotechnology
- Nanotechnology
- Plastics Industry



Consumer Industries
- Consumer Goods
- Food & Beverage
- Franchising
- Tourism & Leisure



Machinery & Equipment

The German Culture

Laptops and Leather Trousers



Germany – Facts & Figures

The German Culture

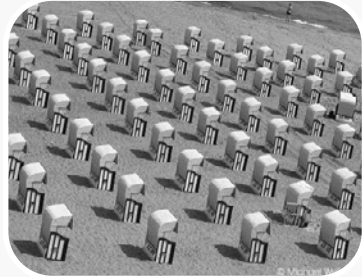
■ **“Exportweltmeister”**

- Despite the lack of natural resources, Germany is exporting more than importing
- Thanks to their quality, German products are popular worldwide



■ **“Ordnung” is important**

- Laws, rules and procedures seem to be evident in all economical, political and social affairs
- Precision of timetables, meeting planning and achievement of milestones
- Low degree of flexibility and spontaneity



■ **“Pünktlichkeit” - Punctuality is essential**

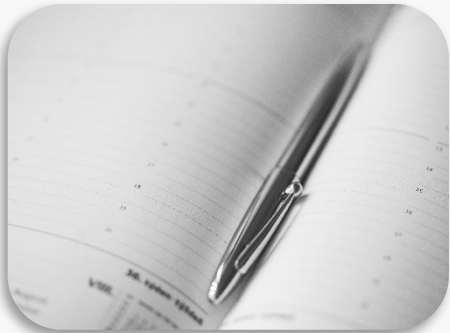
- Arriving even five or ten minutes after the appointment time is considered late and disrespectful
- Appointments are made for most situations, and sometimes several weeks in advance



Germany – Facts & Figures

The German Culture

- **Germans like well-defined and strictly observed hierarchy**
- **Individualistic, yet consensus-seeking**
- **Business meetings follow a formal procedure**
 - German protocol requires greeting with a handshake on both arrival and departure
 - First names are generally only used with family, close friends and colleagues
 - German managers work from precise and detailed agendas
 - Meetings always aim for decisive outcomes and results, rather than providing a forum for open and general discussion
 - Humour and irony can easily be misunderstood
 - Germans divide strictly between their business and private life
 - Many Germans hesitate to speak about their personal income, marital status or other matters they consider to be private



Germany – Facts & Figures

The German Culture

- Germans can choose between 5,000 different beer brands produced by 1,284 breweries: a world record.
- Germans have both hands (but no elbows!) on the table during the meal.
- Wait for the green traffic light even when you know it would be safe to cross
- Please remember that German drivers are rather ruthless, so better give way if in doubt.
- Germans have no word for humour!



Germany – Facts & Figures

The German Culture

■ **Focus on Facts**

- Objective facts are considered essential in decision-making and problem-solving
- Successful decision-making is based on logic and analysis of information
- Less intuition and personal networks



■ **Direct Communication**

- Direct, confrontational German communication style
- Germans tend to say exactly what they want and mean
- Openly-expressed criticism tends to be directed at aspects of the problem, project, or business at hand
> it should not be considered as personal disapproval



■ **Decision-making is often a slow and detailed process**

On the other hand:

Germans are reliable and a well-established business and personal relationship can not be destroyed too easily

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