

# Building an FDI strategy

---

11 JUNE 2018

IRIS WELTEN

A solid orange horizontal bar at the bottom of the slide.

# Content

---

1. Strategy process planning
2. Evaluation of the existing
3. Are you focusing on the right tasks?
4. Build up your strategy
5. Summary

# Content

---

1. Strategy process planning
2. Evaluation of the existing
3. Are you focusing on the right tasks?
4. Build up your strategy
5. Summary

# Basic strategy process

---

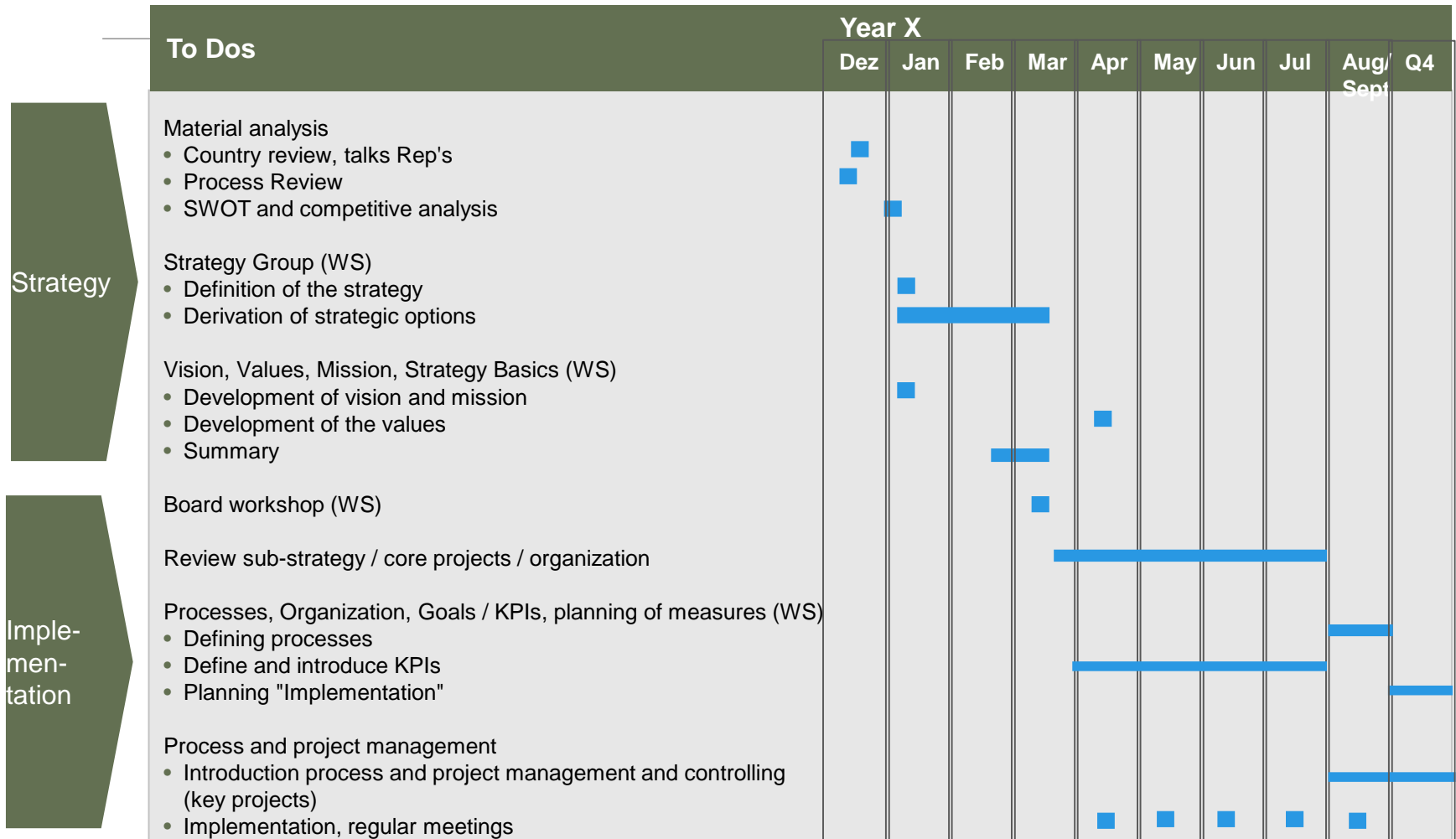
## Systematic evaluation of the existing

- Create a time plan
- SWOT & Competition analysis
- Make a gap analysis
- Definition of the strategy process

## Outflow from the strategy workshop

- Definition of future positioning
- Draft of the holistic strategy
- Define strategic core activities

# Strategy process planing and timeline



# Content

---

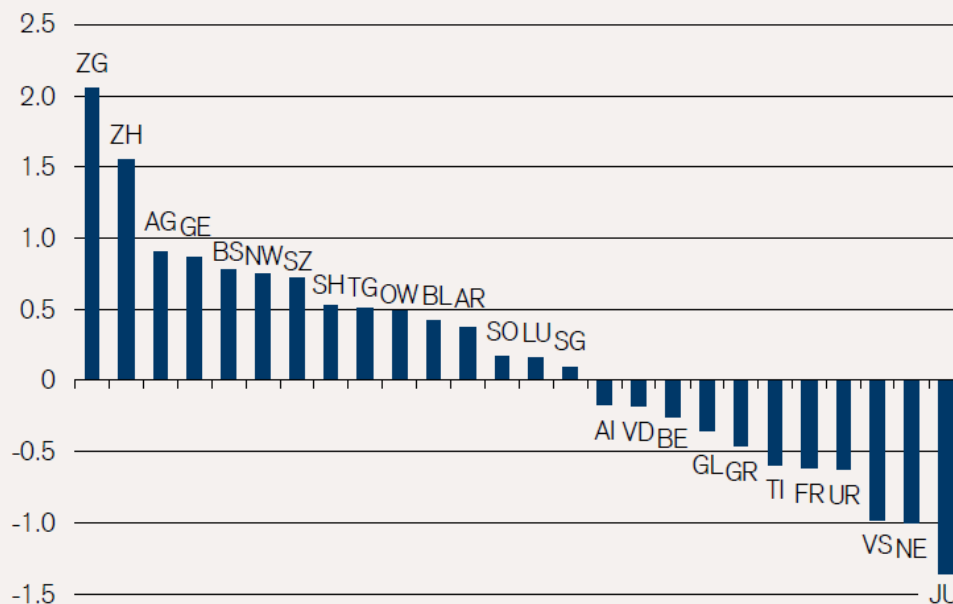
1. Strategy process planning
2. Evaluation of the existing
3. Are you focusing on the right tasks?
4. Build up your strategy
5. Summary

# The quality of the region matters...

Abbildung 1

## Standortqualität der Schweizer Kantone 2011

Synthetischer Indikator, CH = 0

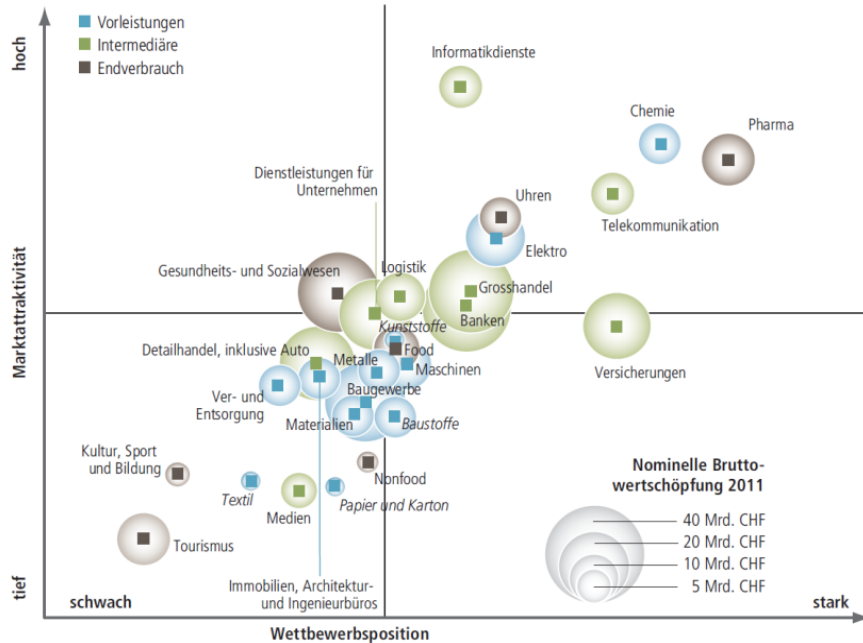


Quelle: Credit Suisse Economic Research

- Tax
- Education
- Labor quality
- Infrastructure

# ...and also the industrie positioning and diversification...

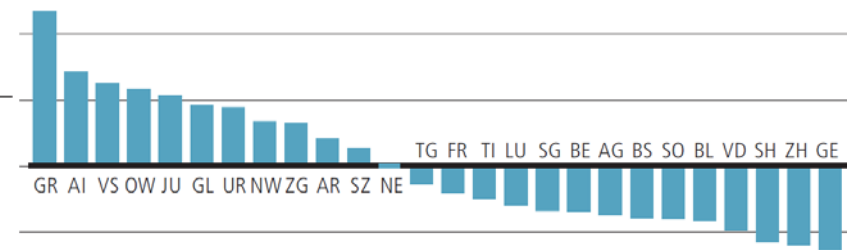
## Längerfristige Branchenpositionierung



Quellen: BAK Basel, BFS, UBS WMR

- Concentrate on existing strengths
- Build up of new industries is very cost intensive
- Yet a healthy diversification is necessary

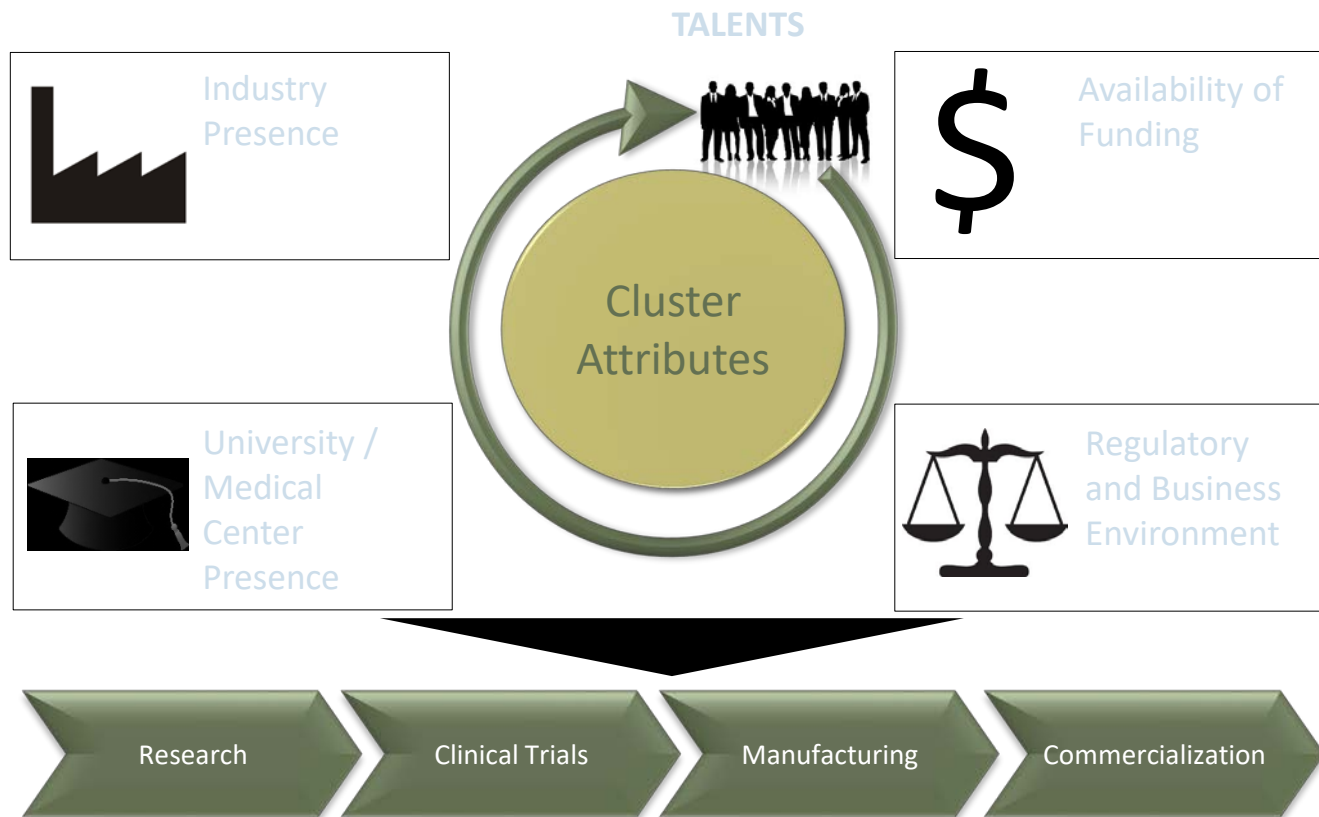
Abbildung 2: Branchenkonzentration



Quellen: BFS, UBS WMR



# ...as well as your eco system in the various industries



# Follow the world wide competitive reports and focus to improve

---

- World Economic Forum - *Global Competitiveness Report 2011-12* - **1<sup>st</sup>**
- World Economic Forum - *The Global Information Technology Report (2010-11)* - Network Readiness Index - **4<sup>th</sup>**
- The Heritage Foundation - *Index of Economic Freedom World Rankings (2012)* – **5<sup>th</sup>**
- World Bank - *Logistics Performance Index (2010)* - **6<sup>th</sup>**
- Transparency International - *Corruption Perceptions Index (2011)* - **8<sup>th</sup>**
- World Bank - *Doing Business (2012)* - **26<sup>th</sup>**
- Triple-A Credit -Rating from rating agencies and stable outlook

# Content

---

1. Strategy process planning
2. Evaluation of the existing
3. Are you focusing on the right tasks?
4. Build up your strategy
5. Summary

# Focus on the «right» countries

	US	UK	France
<b>Projects</b>	330	100	80
<b>Jobs</b>	19,000	2,600	10,000
<b>Capex (US\$, bn)</b>	6.3	1.7	3.5
<b>Top sectors</b>	<ul style="list-style-type: none"> <li>- Life Science</li> <li>- Business services</li> <li>- Financial services</li> </ul>	<ul style="list-style-type: none"> <li>- Financial services</li> <li>- Business services</li> <li>- Life Science</li> </ul>	<ul style="list-style-type: none"> <li>- Consumer products</li> <li>- Life Science</li> <li>- Financial services (12)</li> </ul>
<b>Top business activities</b>	<ul style="list-style-type: none"> <li>- SMS</li> <li>- HQ</li> <li>- Business services</li> </ul>	<ul style="list-style-type: none"> <li>- Business services</li> <li>- SMS</li> </ul>	<ul style="list-style-type: none"> <li>- Retail</li> <li>- SMS</li> <li>- Business services</li> </ul>

# Do you focus on the right activities?

---

- How much is promotion versus FDI?
- How much of the activities are international and in which countries?
- FDI from which countries and industries divided by A, B and C clients?
- How much time is spend until the company settles down?
- How much projects come without an active search?
- Evaluate: more projects = more FDI?
- Are you focusing on the right activities?
- What are your costs versus FDI tax income?

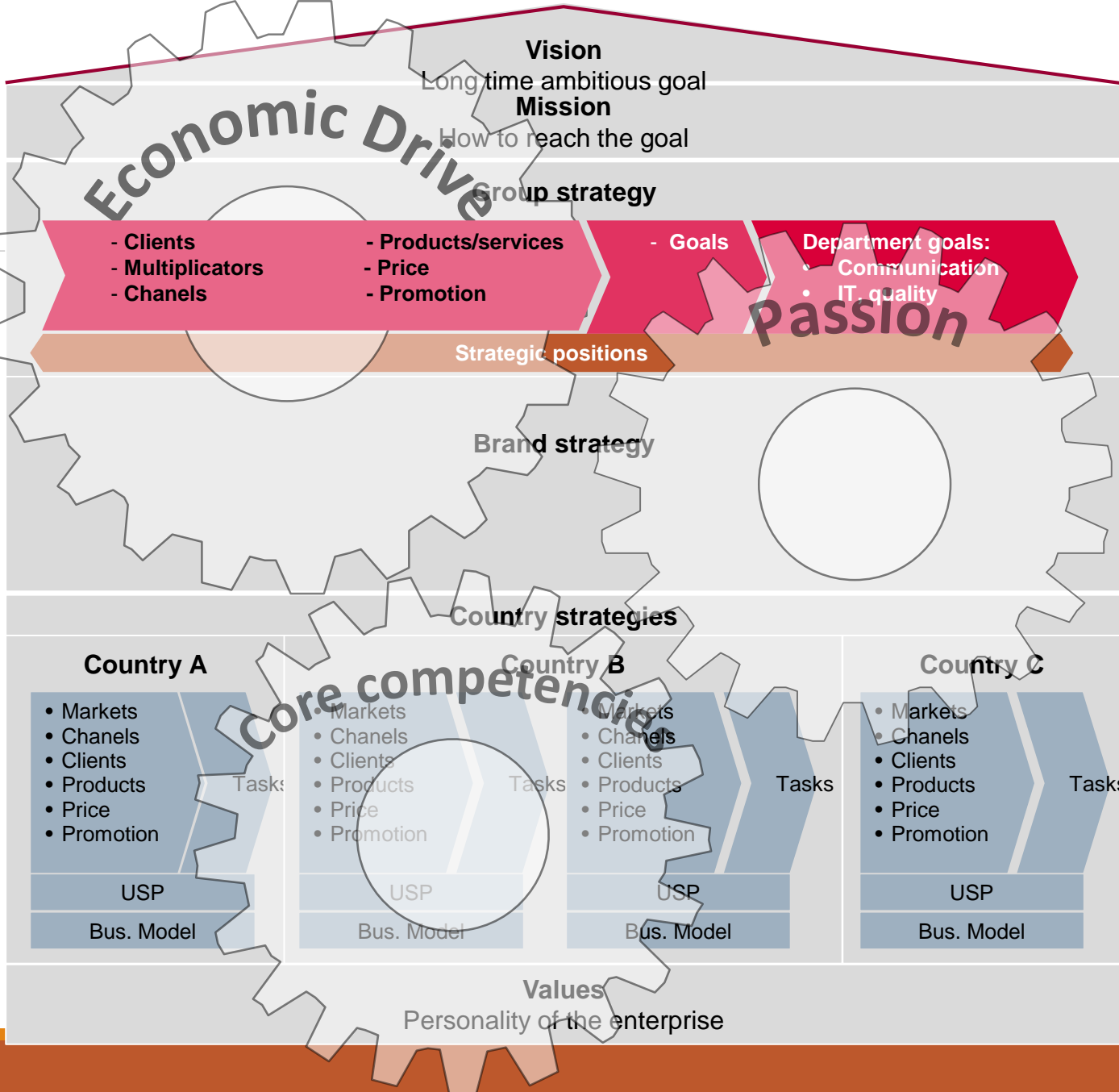
Evaluate which FDI  
processes have a gap

---

# Content

---

1. Strategy process planning
2. Evaluation of the existing
3. Are you focusing on the right tasks?
4. Build up your strategy
5. Summary





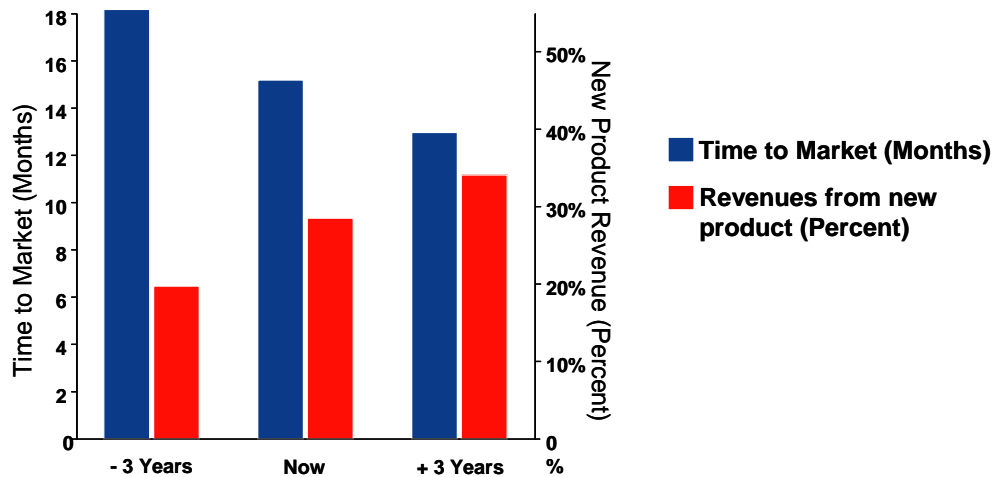
# Strategy Process

Step 1	<b>Analysis</b>	Gap analyzes, market analyzes
Step 2	<b>Vision</b>	Vision
Step 3	<b>Philosophie</b>	Mission, Values
Step 4	<b>Strategy Basics</b>	Strategic drivers: core competencies, economic drivers, passion
Step 5	<b>Strategy</b>	Multiplikators, markets, chanel, clients, services/products, price, promotion / USP / key tasks
Step 6.1	<b>Part Strategies</b>	Multiplikators, markets, chanel, clients, services/products, price, promotion / USP / key tasks
Step 6.2	<b>Part Strategies Operations, IT, Corp. Comm</b>	IT, Corp. Com., Business Development, Quality, Controlling
Step 7	<b>Processes</b>	Management-, Key-, Supportprocesses / Review Structur
Step 8	<b>Implementation</b>	Key projects Performance management (KPIs) Projektmanagement (controlling, risk analysis, tools)

# Example of a strategy overview

	Clients	Services / Products	Price
Strategic Fokus	<ul style="list-style-type: none"><li>• International</li><li>• Classification according to potential and industry</li></ul>		
Selection / Weighting	<ul style="list-style-type: none"><li>• Targeting by Value Proposition</li><li>• Standardized interview form</li></ul>		
Core activities	<ul style="list-style-type: none"><li>• Direct contact</li><li>• Own targeting</li><li>• One-to-one conversations at leading trade fairs only with targeting and partnering</li><li>• Intensive care / follow-up</li></ul>		

# What is important to know and do from the clients perspective?



Source: Deloitte/adjusted BCI

- **Value proposition** of the cluster and eco system determines targeted companies and information available: expertise, technologies, universities, etc.
- This offers **business opportunities**: market potential for companies, legal possibilities / barriers, financial barriers / opportunities, etc.
- **Screening of the companies** according to: critical size, economic situation, recent developments, intl. orientation, technology leadership, growth rates, potential
- Definition of the **action plan**: Line-up of the team, cooperation structures with public and private partners, focused budget allocation, training and regional FDI specialists

# Content

---

1. Strategy process planning
2. Evaluation of the existing
3. Are you focusing on the right tasks?
4. Build up your strategy
5. Summary

# Summary

---

- Framework conditions of the region are right? Where is room for improvement in taxes, doing business, eco system, etc.?
- Definition of the value proposition of the location
- Evaluation of the existing organization (efficiencies, focus, etc.)
- Strategy created in a workshop with the team, after approval detailed business model (e.g., multiplier strategy, organization)
- Targeted customer selection and in-depth know-how about the customer
- Products / services determined by the potential
- Away from country focus to targeting, networking and match making
- Take additional revenue and know-how sources



Iris Welten, Welten & Welten AG, [info@weltenwelten.com](mailto:info@weltenwelten.com), +41 79 501 0888