



GOING *global*

The UK SMEs making exporting look easy

croud

CONTENTS

PREFACE	1	BUILDING PROPRIETARY TECH FROM SCRATCH	23
INTRODUCTION	3	INTERNATIONAL MARKETING	27
EXECUTIVE SUMMARY	5	PAY IT FORWARD	34
DATA SUMMARY	8	CONCLUSION	38
CHANGING TIMES	11	CONTRIBUTORS	40
NEW TECHNOLOGY, NEW ADVANTAGES	17	APPENDIX/REFERENCES	44

PREFACE

Having researched and compiled The Sunday Times Lloyds SME Export Track 100 for four years, I was delighted to be given the opportunity to contribute to Croud's Going Global report.



HAMISH STEVENSON

The Sunday Times Fast Track

Since 2014, I've spoken to many of the country's most successful SME exporters and during this time it has become clear that advice and support is invaluable in achieving success. This report is a great resource for other SMEs looking to expand internationally, with useful first-hand experiences and advice from UK companies that have achieved significant growth overseas.

For SMEs looking to export internationally, the first question to ask is if they have a product or service that people will want to pay for overseas. Not every

business can or should be an exporter. For example, the design-led houseware manufacturer, Joseph Joseph is a hugely successful company that exports to a number of international markets. However, when they started exporting they quickly realised not every product would sell in every market - the potato masher just didn't sell in Japan as mashed potato simply isn't a part of their regular diet. Joseph Joseph took this learning and personalised its product range based on each region's needs and have achieved tremendous results.

Innovations in technology, digital marketing and the use of data have had a positive impact on the success of British SMEs overseas. Ecommerce platforms provide SMEs with a global reach from day one. Sporting equipment supplier, Net World Sports started the company from the founder's bedroom,

selling equipment on eBay. Almost ten years later, the company now has 18 websites and an annual revenue of over £11 million.

Ecommerce sites also provide SMEs with valuable customer data, to understand where customers are coming from and which products they're interested in. Furthermore, data has empowered SMEs to better work with partners and the supply chain. The online sportswear company FreestyleXtreme built an AI-enabled stock management system to streamline the process, and this helped to increase online sales by 8%.

UK-based SMEs can also lean on Brand Britain - it will always punch above its weight overseas and as a result niche British brands will do well. Previous research we have conducted for the Sunday Times Lloyds SME Export Track 100 complements the findings in this report from Croud. The Sunday Times Lloyds SME Export Track 100 research saw a 33% increase in SMEs thinking Brexit will have a negative impact on business - 21% in 2017 compared with 28% in 2018.

However, there is strong support for SMEs in the UK, with a number of trade portals and organisations providing free advice and help for companies looking to expand outside of the UK. If an SME knows they have a product and service people will want to pay for, I'd suggest they take advantage of these fair winds, seek advice, make best use of the data available to drive decision making ...and go for it.



INTRODUCTION

British exported goods and services play a huge role in the strength of the UK economy, accounting for around 20% of GDP. Exporting creates employment and drives economic growth, as well as indirectly supporting tourism and the strength of the British brand around the world. I couldn't be more proud that Croud and our clients are contributing to this global growth.



LUKE SMITH

Founder and CEO, Croud

The vast majority of British businesses, like Croud, are SMEs – those with fewer than 250 employees – which means we play a huge role in driving innovation and employment. But the next few years will see unprecedented challenges for British SME exporters; with Brexit looming and rapidly changing technology and regulations, it's a uniquely exciting time to be selling your products and services overseas.

When I co-founded our digital marketing agency Croud in 2011, we built our business on an international vision. Exporting talent and services is at the very

core of our business, which is why we were thrilled to recently be included in The Sunday Times Lloyds SME Export Track 100 – a list of the 100 fastest-growing British SME exporters.

We've learnt a lot about the challenges and opportunities of exporting over the last seven years, but meeting and listening to other companies from The Sunday Times Lloyds SME Export Track 100 was a fascinating reminder of the importance of continually learning and collaborating.

That's why we decided to dig a little deeper and ask some of these diverse and rapidly growing businesses to share their unique insights into the challenges and opportunities for British SME exporters. How has technology changed the way they do business? How

do they stay on top of their data? How do they market effectively across multiple regions? And just how should British exporters be preparing for Brexit? What they shared was insightful, fascinating and often funny – and, with invaluable support from The Sunday Times Lloyds SME Export Track 100 themselves, we are proud to present the Going Global 2018 Report.

British SMEs are the backbone of enterprise in the UK, and it's essential that as a nation we do as much as possible to support them. We hope that by sharing these insights and advice in this report we are playing our part in doing just that.



EXECUTIVE SUMMARY

In developing this report, we carried out data-led research with 100 UK SME exporters and in-depth interviews with 10 of the country's most successful SME exporters, from The Sunday Times Lloyds SME Export Track 100. Our aim was to understand their view of the challenges and opportunities facing them in 2018.

We specifically looked at the changing forces of regulation and technology, and the role that data is playing in their international success. During these conversations, a number of key themes emerged.

One major theme that emerged was the actions SMEs are taking in preparation for the UK to leave the EU. Uncertainty ran through many of the conversations we had with the business leaders and from the study of 100 British SMEs. 63% of SMEs put Brexit in their top three challenges for the next 3 - 5 years. On the flip side, 64% see Brexit as a top opportunity. However, digging into this stat a little deeper, just one in four SMEs believe that Brexit will deliver opportunities in terms of increased access to the global economy. This should make for stark reading for the Government, as it has repeatedly touted greater access to the global economy as a selling point for Brexit.

With the exact detail of the deal still to be agreed, some SMEs have had to act in advance, for fear of not having enough time to respond once the deal is agreed - Shaun Loughlin from FreestyleXtreme revealed that the company is in the process of opening up an office in the EU, which has cost a significant amount in labour and expenses, which were not planned for. The company took this decision to protect itself against any potential Brexit deal.

A second major theme regarded an innovative approach to technology: many SMEs have built proprietary technology because existing software simply wasn't up to the job. PrivateFly, Croud and FreestyleXtreme are three organisations that have done this and achieved great success from it. Carol Cork, Co-Founder and Marketing Director



at PrivateFly, confirmed that they realised from the beginning that there wasn't any other tech available to do the job they wanted to do. Buying software was an expensive option and the company couldn't be certain it would be fit for purpose in years to come. Building their own technology meant PrivateFly could be sure it was tailored to their specific needs.

The role of data handling to gain a competitive advantage was a third theme that emerged from the majority of our conversations. 78% of the SMEs we spoke with believe data is important in helping them gain a competitive advantage. Our interviewees echoed this point, but revealed that it's not enough to understand the value good data handling can bring, the real challenge starts when trying to build a seamless process for data analysis across the complex supply chain and with multiple partners, in a number of countries. Alex Lovén, Managing Director, Net World Sports confirmed this: "One of the biggest challenges and ultimate successes we have had in handling data across the supply chain has been the education and development of our suppliers overseas."

The challenge doesn't stop there, as Andrew Newlands, MD and Founder, Monty Bojangles stated:

“There is a big danger attached to decision making based on data – that you rely too much on data and lose your instinct. No one innovates based on historical data – the only type of data is out-of-date data... Learn from data, yes, but don't let it control your decision making. Data doesn't have a soul.”

Although the future of the UK economy and its relationship with overseas markets remains uncertain, our report confirmed that optimism is high amongst the UK's SMEs. For SMEs that use data regularly across their business, this optimism is particularly high - these 'data expert' organisations expect a growth rate of 20% annually over the next five years. Digging into that a little deeper, those 'data experts' expect technology to play a key role in that growth, with 70% stating that innovations in AI and automation will be a top opportunity in the next 3 - 5 years.

Although, not all of the SMEs questioned consider themselves 'data experts', there is a wide appreciation (60% of all SMEs) of the important role data will play,

particularly to better target customers in the near future.

This optimism shone through during the conversations with the UK's top SME exporters. Yes, take the uncertainties and challenges into careful consideration, but for any SME business leader looking to export overseas, our business leaders all agreed it's a risk worth taking and rewards are there for anyone willing to seize the opportunity.

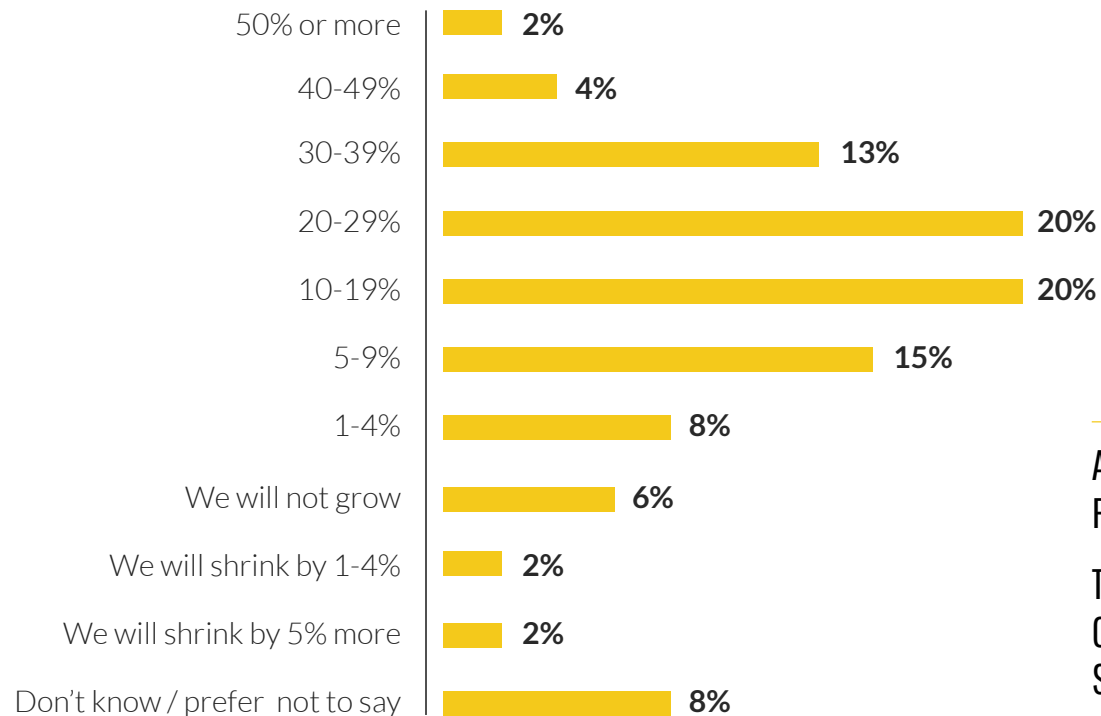


DATA SUMMARY

100 business leaders from British SMEs were questioned for this report, to gain a better understanding of the relationship between data use and company growth, as well as the opportunities and challenges facing SMEs post-GDPR, and ahead of Brexit.

Overall, the research identified 'data expert' SMEs, these are the companies that widely use data in their organisation. The 'data expert' SMEs are more confident about the level of business growth, on average they expect to achieve an annual growth rate of 20% over the next five years. In comparison to companies that don't widely use data, the 'data expert' SMEs are also more confident that they can deal with increased regulation, specifically GDPR.

What do SME 'data experts' expect their average annual growth rate in turnover to be over the next 5 years?



AVERAGE EXPECTED GROWTH FOR 'DATA EXPERTS': 20%

THIS IS 19% HIGHER THAN OTHER COMPANIES SURVEYED



Almost eight in ten SMEs questioned believe that data is important in helping them to gain a competitive advantage.

This jumps to nine in ten for companies with 51-250 employees, suggesting that SMEs with a slightly larger team have the processes and skills in place to make better use of the data that is available to them.

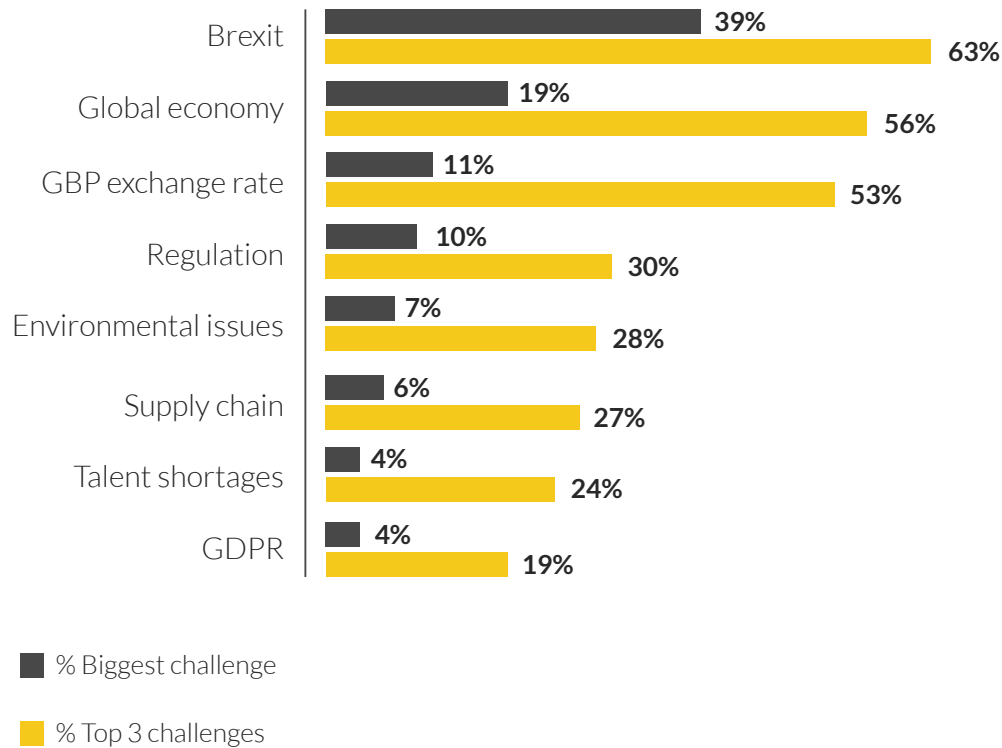
When it comes to Brexit, the view from our SME business leaders isn't quite as clear cut: 63% of SMEs put Brexit in their top three challenges for the next 3 - 5 years. On the flip side, 64% see Brexit as a top opportunity.

This is likely down to the levels of uncertainty that still surrounds the UK's Brexit deal with the EU, which will have a direct impact

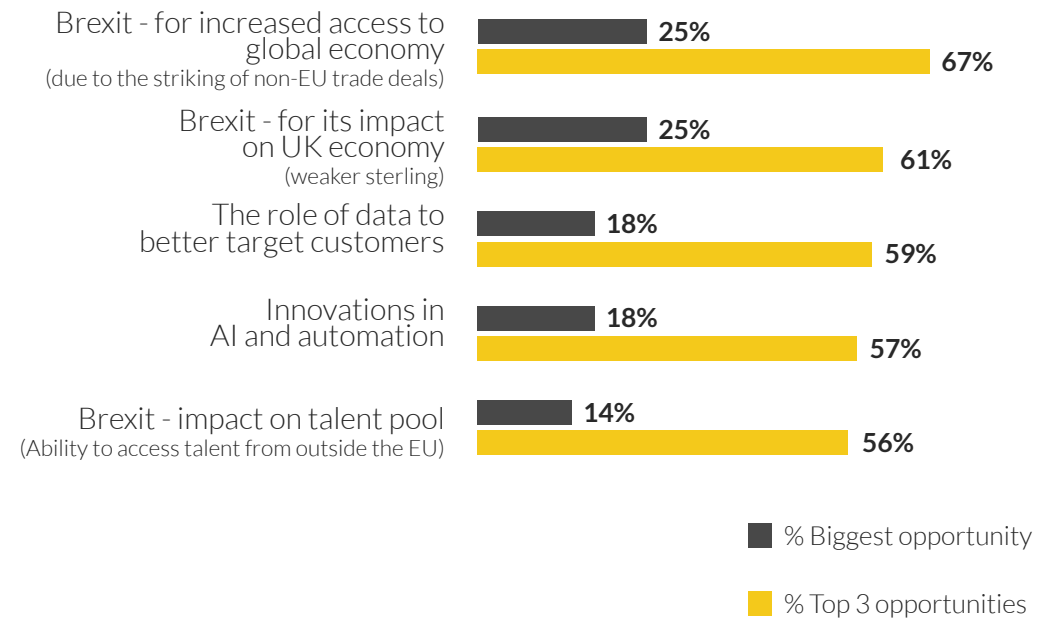
on SMEs in areas such as trade tariffs, the UK economy, exchange rates and the talent pool.

There are some geographical differences, with SMEs based outside of the South East, more likely to see increased access to the global economy as a results of Brexit as an opportunity (73%, versus 53%). Although there are some differences among the SMEs questioned, the outlook is fairly promising, with business leaders still confident in future growth. This report provides further insight, examples and advice on how that growth can be realised using technology, data and AI.

What do British SME exporters see as the biggest challenges over the next 3-5 years?



What do British SME exporters see as the biggest opportunities over the next 3-5 years?





SECTION 1

CHANGING TIMES

How will the shifting regulatory and political landscape affect opportunities for British SME exporters?

Regulatory compliance is always a challenge for companies that operate across geographic borders. But for British SMEs who operate outside the UK, 2018 is a time of unique challenges. From new data protection requirements of GDPR to the ever-present spectre of Brexit, preparing for and responding to regulatory change factors high on the priority list for many SME leaders. In fact our research found that 65% of SME's employing 51-250 people are currently concerned over their company's storage management and use of data.

65% OF SMES ARE CONCERNED ABOUT THEIR CUSTOMER DATA MANAGEMENT

Since the Brexit vote in 2016, trade has been one of the biggest topics of discussion, with wild speculation about the impact on British businesses, and prices for consumers. The UK sends around 44 per cent of its

exports to the EU and there's no doubt that British exporters will be one group for whom Brexit presents the biggest challenges. However, the predictions as to the impact on business seemingly change week to week. In fact, as this report was being finalised, the European Commission issued advice to businesses across the EU to reconsider buying British-made parts and components, for fear they may fall foul of exporting regulations.

ALMOST 1 IN 3 SME LEADERS DON'T THINK THEY HAVE THE SKILLS REQUIRED TO MANAGE CUSTOMER DATA IN LINE WITH GDPR

The uncertainty that remains around the UK's exit from the EU, has left some SMEs with no choice but to take action to safeguard their organisation from the worst case scenario: Shaun Loughlin from FreestyleXtreme revealed that the company is in the process of opening up an office in the EU to protect itself against any potential Brexit deal, this has cost a significant amount in unplanned labour and expenses.

63% OF SMES SEE BREXIT AS ONE OF THE BIGGEST CHALLENGES FOR BRITISH EXPORTERS IN THE NEXT 3-5 YEARS

Most of the companies we spoke to for this report were not positive about Brexit, with 63% of British SME business leaders citing Brexit as one of the top three challenges in the next 3-5 years. Our interviewees recognised the challenges that more complex borders and regulatory requirements will bring for exporting. But with every challenge comes opportunity, and these businesses found many reasons to be optimistic.

JUST 1 IN 4 SEE INCREASED ACCESS TO THE GLOBAL ECONOMY AS A RESULT OF BREXIT AS AN OPPORTUNITY FOR SMES





“ ”

Brexit will be both a challenge and an opportunity – uncertainty, customs and value of the pound are our biggest concerns right now, but the increased access to the global economy could also be a huge opportunity.

JOSH RICHARDSON

Managing Director, Superyacht Tenders and Toys

“ ”

Brexit is going to make it harder to attract talent from Europe to the UK. If visas become a requirement for travel and work across the EU, then attracting and retaining talent from the EU will become a big issue for many SMEs.

LUKE SMITH

Founder & CEO, Croud

“ ”

Anything other than the most frictionless of borders is inevitably going to slow down any supply chain and force business to increase their operational overhead to cater for administration overload. I think there is a very real risk of chronic physical and administrative tailbacks whenever Brexit day falls.

ANDREW NEWLANDS

Managing Director, Monty Bojangles

“ ”

The biggest challenge over the next 3-5 years will be the impact on talent brought about from Brexit.

SHAUN LAUGHLIN

Managing Director, FreestyleXtreme

“ ”

We will undoubtedly have a trade agreement with EU countries. It might not be as straightforward as it is now, but you just have to get on with it - that's the mentality of Croud and it should be of most SMEs. Just get up and get on with it!

LUKE SMITH

Founder & CEO, Croud

“ ”

It's very easy with Brexit to focus on "Oh yes, things are going to be more expensive" but inflation is always a risk and it's a question of making sure you prioritise the right things.

Exporting was as relevant before 2016 - and the Brexit vote - as it is now, but there is that extra

pressure now and benefit for those who are doing it. To have that 'holy trinity' of revenue streams - euros, sterling and dollars, gives you maximum flexibility.

ANDREW NEWLANDS

Managing Director, Monty Bojangles

“ ”

For us Brits now, innovation is the number one opportunity - we have great ideas, disruptive technology, great fashion. The British brand is strong. And the advantage for us as exporters at the moment is that the pound is weak - let's embrace that and make the most of it! As small businesses, we can't affect politics or exchange rates - we have to go with the flow, find the opportunities and make the most of them.

JAN VAN DER VELDE

CEO, Kit for Kids



GDPR AND DATA PROTECTION

“ ”

Email marketing has taken a big hit because of GDPR – we’ve had to completely overhaul our database and look at consent on a case by case basis. Securing consent is a slow process and we’re having to look at other ways to connect with our audiences.

SHAUN LAUGHLIN

Managing Director, FreestyleXtreme

“ ”

We have stopped direct marketing at the moment to our database [as a direct result of GDPR].

JOSH RICHARDSON

Director, Superyacht Tenders and Toys

“ ”

GDPR has put pressure on us to make sure all links in our supply chain comply. End clients are putting onerous contracts in place asking us to take responsibility for the entire supply chain. Everyone is trying to cover themselves because of the ambiguity around regulation. It’s been an ongoing collaborative process making sure that our suppliers are up to speed. Unfortunately, the pace of regulatory change does make certain independent suppliers less suitable to use now. If you can’t keep up, you can’t compete.

SEB MARTIN

Founder and MD, Bryter Research

SECTION **2**

NEW TECHNOLOGY, NEW ADVANTAGES

How has the rise of data management helped British SME exporters better understand and respond to market challenges?

All the companies we interviewed for this report recognise the competitive advantage given to them by a strategic approach to data management in improving their business operations, digital marketing, product management and sales. For some, like Croud, FreestyleXtreme and PrivateFly, the innovative approach to data is the cornerstone of these companies' whole business operations, enabling a business model that simply could not exist without effective data management technology.

SMES USING DATA ACROSS THEIR BUSINESS EXPECT AN ANNUAL GROWTH RATE OF 20% OVER THE NEXT 5 YEARS

Even for more traditional retailers, efficiently processing data across POS, supply chain and marketing is proving transformative for stock management, pricing and marketing spend.





But exporters face an additional challenge when it comes to processing, analysing, even obtaining data, as take-up of the technology differs in different regions.

95% OF 'DATA EXPERT' SMES BELIEVE DATA IS IMPORTANT IN HELPING THEM GAIN A COMPETITIVE ADVANTAGE

Companies working directly with retailers, find the process of implementing data management complex. They have to spend a considerable amount of time educating and supporting retail partners on the benefits of digital data strategies and having to interpret inconsistent reports.

70% OF 'DATA EXPERT' SMES SEE INNOVATIONS IN AI AND AUTOMATION AS A TOP OPPORTUNITY

“ ”

Data is integral to the instrumentation of everything we do. You can't assume one geographic region is similar to another. Models are very useful, but ultimately you need as much data as possible, specific to each country.

ANDREW BULLOCK

CTO, UNIDAYS

“ ”

Data is everywhere and dug into day to day process, but export adds another layer of complexity because the supply chains are longer, the forecasts are less available, or data can be biased by the retailers. It's quite challenging, but if you get the data working in harmony then it requires virtually no executive function.

Data is incredibly valuable as a way of learning about your performance, but there is a big danger attached to decision making based on data – that you rely too much on data and lose your instinct. No one innovates based on historical data – the only type of data is out of date data. Monty Bojangles is a desire product – not a functional product. If we spend too much time looking back, we don't innovate.

Learn from data, yes, but don't let it control your decision making. Data doesn't have a soul.

ANDREW NEWLANDS

Managing Director, Monty Bojangles

“ ”

One of our biggest challenges with data is that some regions are lagging behind the UK - not everyone is on the same platform, so sharing data, even just sharing images can be a problem. We've had to address this in different regions, and increasingly, helping our retail partners with their own internet strategies is becoming a really strong part of what we do.

Having that exchange of data is very important. On the front-end we're getting feedback about what is working and what isn't. We can be a lot more nimble. That's the great strength of companies of our size, we can change direction instantly.

JAN VAN DER VELDE

CEO, Kit for Kids

“ ”

One of the biggest challenges and ultimate successes we have had in handling data across the supply chain has been the education and development of our suppliers overseas. As we're constantly pushing forward as a company it's important that our suppliers grow with us. Making sure they have all the relevant product data and are presenting it to us in a user-friendly way has been a massive task for us. However, the joy of opening up a container to see perfectly palletised products with all the correct labelling is a massive relief and shows what's possible.

ALEX LOVÉN

Managing Director, Net World Sports

“ ”

Data has taken the guesswork out of our business (finding aircraft availability), but our supply chain uses very different technologies - some of them still just use spreadsheets - so to be able to pull in all this data and allow instant pricing and availability is a big challenge for us. We've been building that for ten years - educating our suppliers to get that data from them, so we can track where aircrafts are going to be, what they will cost, air traffic control, and which aircraft will be the best for you.

CAROL CORK

Co-Founder & Marketing Director,
PrivateFly



ALMOST 60% OF SMES PREDICT THAT USING DATA TO BETTER TARGET CUSTOMERS WILL BE A TOP OPPORTUNITY IN THE NEXT 3-5 YEARS

“ ”

Data is completely key for us, and many of our decisions are data-led, but working with partners across geographic borders is a continual challenge – some suppliers approach data better than others, but for many product information is not available or the quality of data is poor. We have built our own suite of dashboards to manage our data analytics, as we do consider it vital for general business management.

SHAUN LAUGHLIN

Managing Director, FreestyleXtreme



SECTION 3

BUILDING PROPRIETARY TECH FROM SCRATCH

Is big tech letting down SMEs?

A common theme that emerged from interviews with the top SME exporters, was the investment that many had made in building proprietary technology, in order to compete and achieve international success.

This may be surprising, given the muscle and scope that the global tech giants have. It would seem sensible to presume the technology bohemouths would have found a way to build data management solutions for SMEs of all shapes and sizes.

However, according to some the UK's most successful exporters, this isn't the case.

The reasons for this are varied, but included;

The budget constraints most businesses face when setting up; investing in long-term contracts with costly technology partners can be daunting when a company is just starting out and is still unsure on the exact solution that will meet their needs in the short, medium and long term.

Furthermore, many of the companies interviewed for this report are trailblazers, creating a totally new business model and existing technology just didn't meet their needs. This meant they often had no choice but build their own bespoke tool that did the job and had the ability to evolve and grow with the company.



“ ”

Croud’s business model is based on our proprietary tech – Croud Control, which manages our 1,600-strong network of freelancers. We have a unique approach to business, so we need a unique approach to tech. We do buy certain things from very big organisations – Google Analytics, Facebook platforms, and then lots of smaller tech, Hootsuite and Hubspot. But ultimately if we want to truly be unique and show our clients how differentiated we are, we can’t do this with off the shelf products.

LUKE SMITH

Founder & CEO, Croud



“ ”

We built a bespoke forecasting system using the Microsoft Sharepoint architecture. This has allowed all our distributors around the globe to give us 6-12 months views on their requirements. This type of data is crucial in allowing us to smooth out the peaks and troughs of product manufacturing. This future vision is now central to our requirement for robust planning to avoid stock outage and missed deadlines.

JOHN HIBBARD

Co-Founder and CEO, Red Paddle Board Company

“ ”

Managing stock efficiently is absolutely key to our business model. We built a bespoke system that absorbs supplier stock control feeds (over 100, maybe more). When we launched we looked at existing technology and it either didn’t exist or was too expensive for the size of our business, so we built our own. It allows us to operate competitively and respond rapidly, as we are in control of our own system.

SHAUN LAUGHLIN

Managing Director, FreestyleXtreme

“ ”

From the beginning there wasn't any other tech available that could do the job we needed. You can spend a lot of money buying software, which eventually, isn't fit for purpose. But, when building your own tech, you have to make sure that you do it with really good industry insight and knowledge. We wanted to make sure we built a platform that could integrate with as many different platforms as possible – we've created something that is essentially a Bloomberg of the private jet industry.

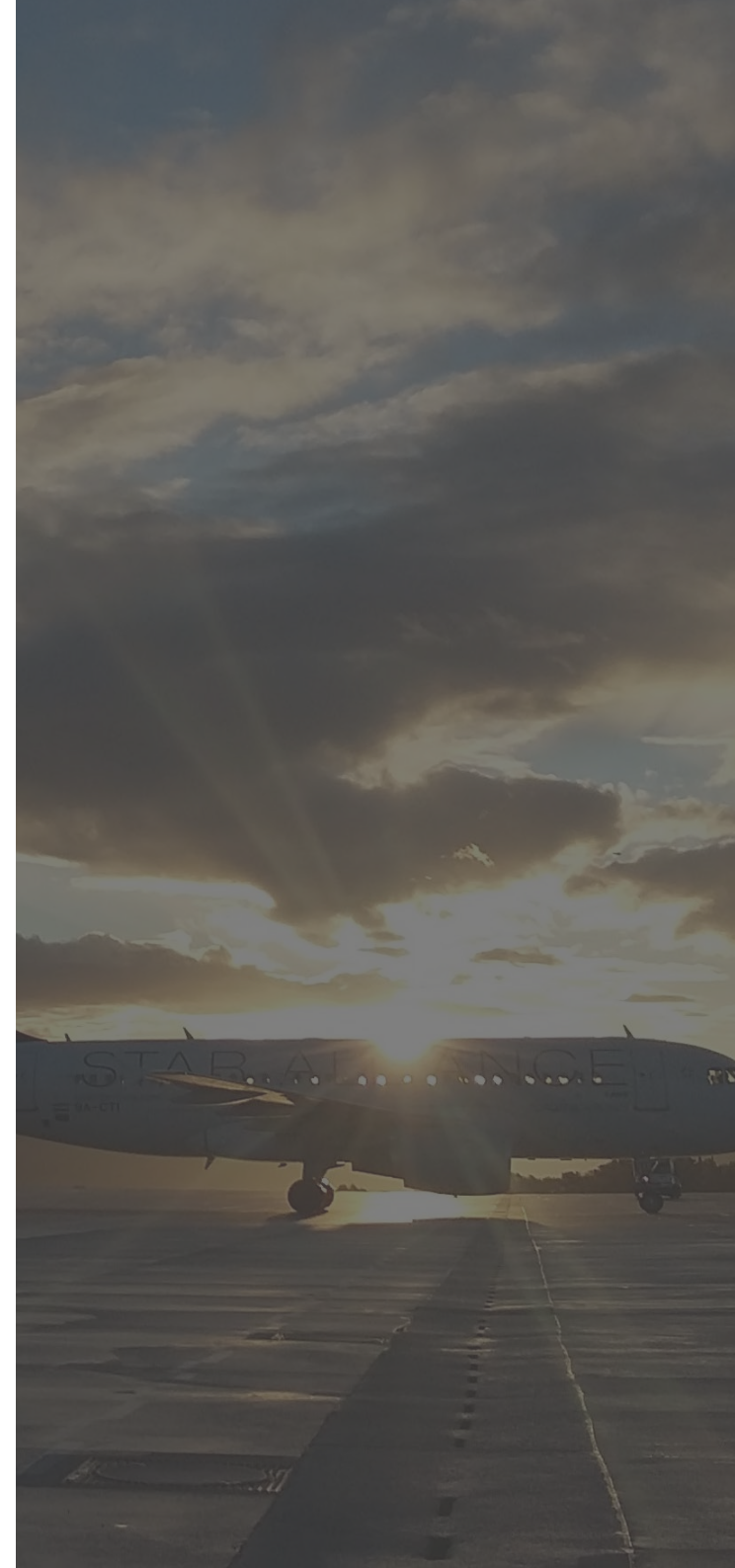
The better we can integrate with airports, aircraft owners, travel agents and all our partners, then the better service we can supply. However, our approach was not

to wait years and years to get the technology perfect – you've got to build technology and demand hand in hand.

That's something that we're continually developing. Private aviation is incredibly fragmented, and you need to make sure you're connecting everyone. It's working though - recently we were able to service a customer who had an urgent need and the time between online booking and taking off was 28 minutes!

CAROL CORK

Co-Founder & Marketing Director,
PrivateFly



SECTION 4

MULTI-TASKING

Multi-channel, multi-national marketing



How do British SMEs effectively market across geographical borders?

The research found that eight in ten SME business leaders use data to drive their marketing decisions. The importance of using data to help inform global marketing strategies was echoed by many of the business leaders interviewed; often, SMEs only have very small marketing departments, based at the head office in the UK. Audience data - whether it's customer behaviour, or local market insights - give companies the ability to develop marketing strategies that can be executed by a lean team, and that can be personalised to be relevant across multiple countries.

81% OF SMES ARE USING DATA TO DRIVE MARKETING DECISIONS TO SOME EXTENT - BUT ONLY 35% USE DATA TO INFORM MARKETING DECISIONS TO A GREAT EXTENT

Digital marketing has opened up further opportunities for SMEs to extend their global reach, whilst still

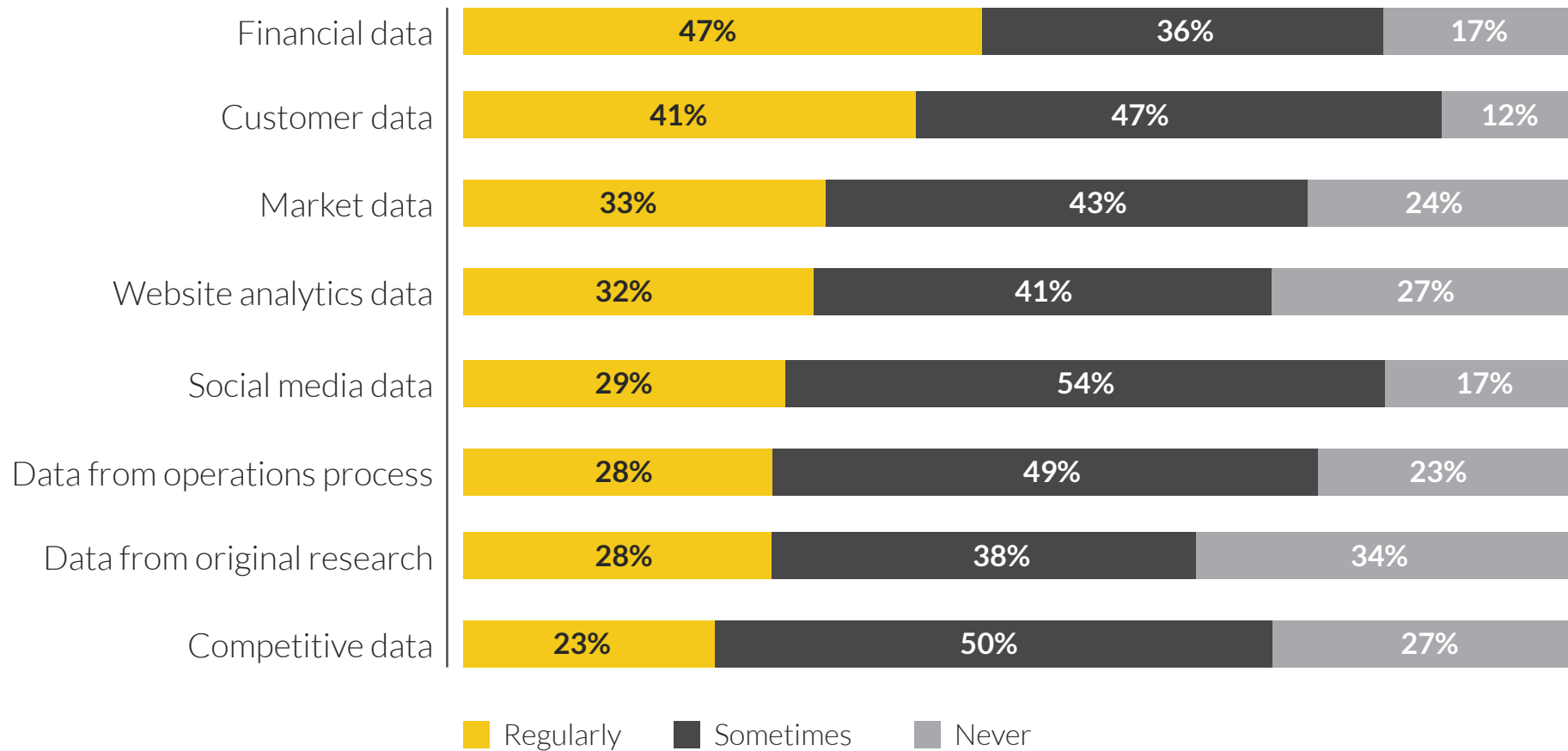
working in line with limited budgets. Digital marketing gives companies the ability to run targeted campaigns, whether it's paid social advertising, influencer marketing, SEO, or paid search to audiences in multiple regions, driving significant results to the bottom line without breaking the bank.

One issue that the SME business leaders called out when we spoke to them was the need to have local expertise. The companies recognised the need to take into consideration cultural differences and build them into their marketing efforts.

Digital channels are powerful when it comes to reach, but without giving careful consideration to how your marketing creative and message might be received in multiple languages, SMEs risk hugely impacting on sales success and in the worst case having a long-term negative impact on brand reputation.

One way many (four in ten) SMEs overcome this issue is turning to agency support to provide companies with the necessary culture awareness, that so far technology tools and data can not.

What type of data do SMEs use to help make business decisions?



ONE SIZE DOESN'T FIT ALL:

“ ”

A key challenge for us is addressing different levels of brand awareness in different regions - each market must be treated differently with its own strategy. Influencer and advocacy marketing tend to be more effective in regions we're more established in, as does CRM, but in newer markets we rely far more on performance marketing, including AdWords and social media. For us the biggest trend is personalisation and smarter use of data - this has led us to have a more individual approach to marketing.

ANDREW BULLOCK

CTO, UNiDAYS

39% OF SMES OUTSOURCE THEIR DIGITAL MARKETING ACTIVITY

“ ”

From an early stage of marketing the business, we realised one size definitely didn't fit all. Messages need to be personalised, even if it's something simple such as changing 'football' to 'soccer' for American customers and that's what we set out to do. Our customer communications are tailored to each individual country, whether that's via email, social media, the websites or live chat - we speak their language.

ALEX LOVÉN

Managing Director, Net World Sports

“ ”

Marketing in many different regions is a big challenge for a lot of exporters. Hiring agency support can feel like a big expense for SMEs, but having that local market knowledge, cultural awareness and just up-to-date information on what's going on can make a huge difference between efficient marketing spend or throwing your money down the drain.

LUKE SMITH

Founder and CEO Croud

“ ”

The UK is a few years ahead of some other markets in terms of online marketing. For example, in the Middle East, the shopping centre experience is still key, but in the UK, we're seeing retail footfall go down. Even online there are cultural sensitivities and differences between what resonates. In the UK, peak times for us are 10pm at night - perhaps when the kids have gone to bed and mum and dad have got a bit of time to themselves. We use specialists in some markets to help us stay aware of these trends.

JAN VAN DER VELDE

CEO, Kit for Kids

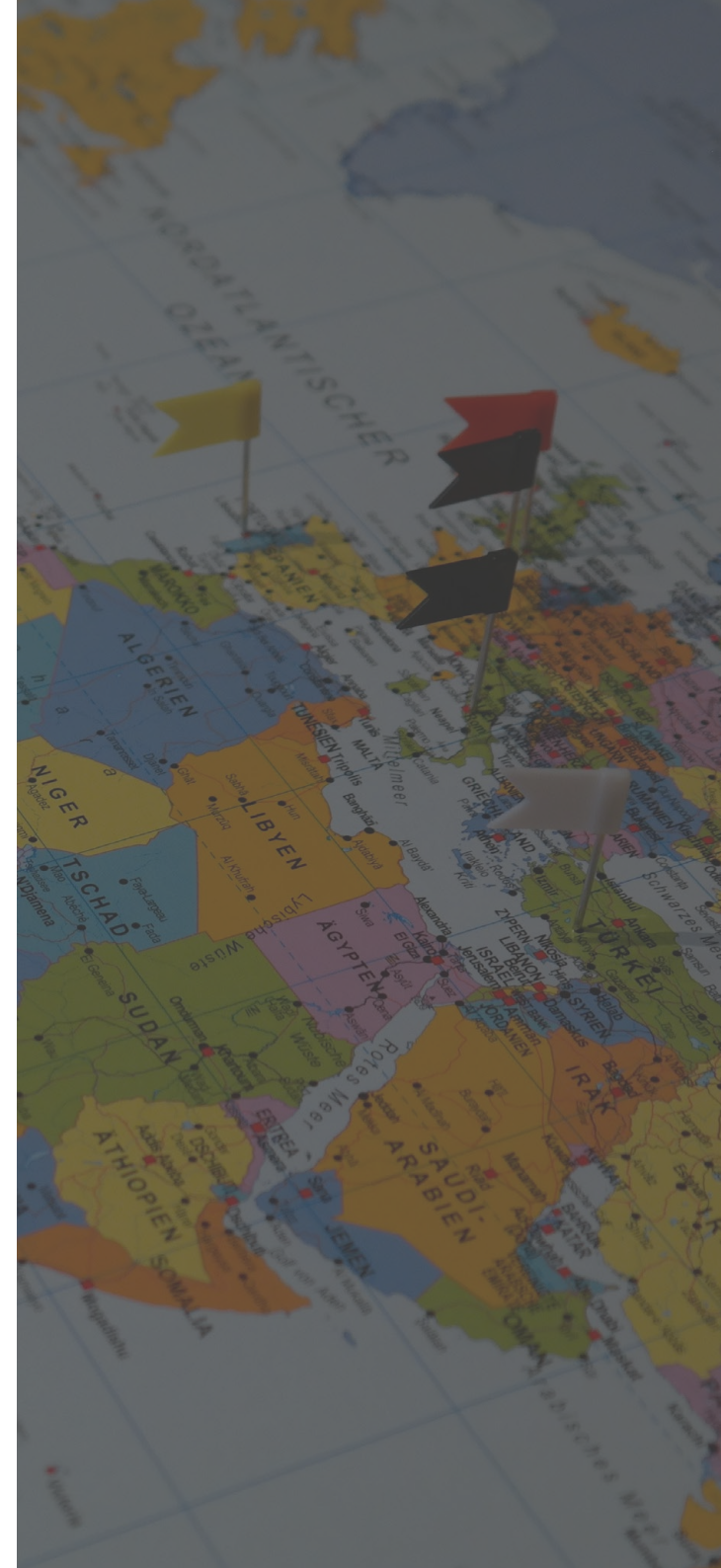
“ ”

Our customer base comes from all over Europe and beyond, but we address each market differently. Our platform is now available in 13 different languages, and our sales team speak 16 languages and work 24 hours.

You need to be extremely agile. We have a strategy, but we don't have an annual marketing plan - we are constantly looking at what's going on in the sector and adjusting our strategy on a quarterly basis, but also week to week.

CAROL CORK

Co-Founder & Marketing Director,
PrivateFly



MARKETING TECHNOLOGY IS KEY FOR EFFICIENT SPEND

“ ”

Technology is constantly changing and it's important to keep up with the latest trends. With Instagram really taking off in the last few years and the rise of influencer marketing, it's important to ensure we're interacting with influential customers, whether it's reaching out for product testimonials or reviews. When you strip it back to basics, it's word of mouth that really drives sales.

ALEX LOVÉN

Managing Director, Net World Sports

“ ”

Digital marketing is probably our biggest point of difference from our competitors. Until recently, digital or search marketing wasn't seen as an important sector of marketing for private jets, but PrivateFly has turned this on its head and it has been a big advantage for us as we've led the pack in digital marketing since the beginning. We invest heavily in digital marketing because it gives us the chance to track whether our messages are working and analyse the results. There is a very large proportion of any audience who will never use private jets, so your marketing money has to work incredibly hard to make sure that you are in front of the right people.

CAROL CORK

Co-Founder & Marketing Director,
PrivateFly

“ ”

Getting data on a timely basis is key to understanding the impact of your marketing. Is the online strategy working? Where is it working? Where is it resonating? If you don't have that data back from your partners it's very difficult to know whether you're doing successful marketing or if you're just wasting money.

JAN VAN DER VELDE

CEO, Kit for Kids

“ ”

With online search being paramount to business success we rely heavily on analytics data to ensure we are reaching the right audience in the most cost effective way.

Furthermore, the increasing move towards online purchase has made us trial new ways of converting the consumer. So rather than relying on the traditional channel we are starting to look at integrated Ecommerce systems to allow our retailers to remain involved but at the same time allow us to convert the customer to purchase through our site. It's early days yet to see any trends developing.

We expect analytics data and customer experience data to be key in the coming 12-18 months. It will help us spend marketing budgets more effectively.

JOHN HIBBARD

Co-Founder and CEO, Red Paddle Board Company

“ ”

Marketing technology that is good and affordable does exist, but you have to choose carefully. Pioneer a technology, and there will be challenges – that's just part of working with an emerging technology, but the rewards can be huge if you persevere.

SHAUN LAUGHLIN

Managing Director, FreestyleXtreme

NETWORK, NETWORK, NETWORK

“ ”

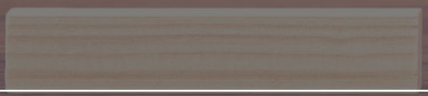
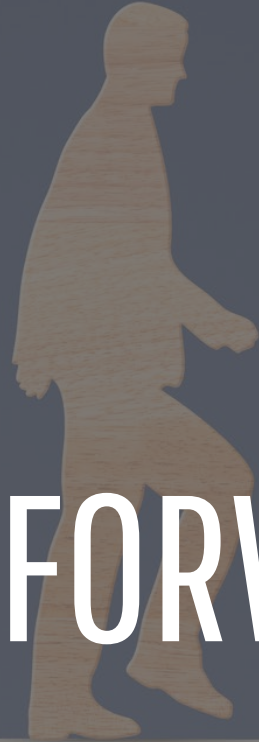
One of the biggest costs for a business is acquiring customers and one of the best ways we've discovered of doing this is through networks. We should all cooperate with each other because it removes a massive barrier to market, which is sales and marketing.

LUKE SMITH

Founder & CEO, Croud

SECTION 5

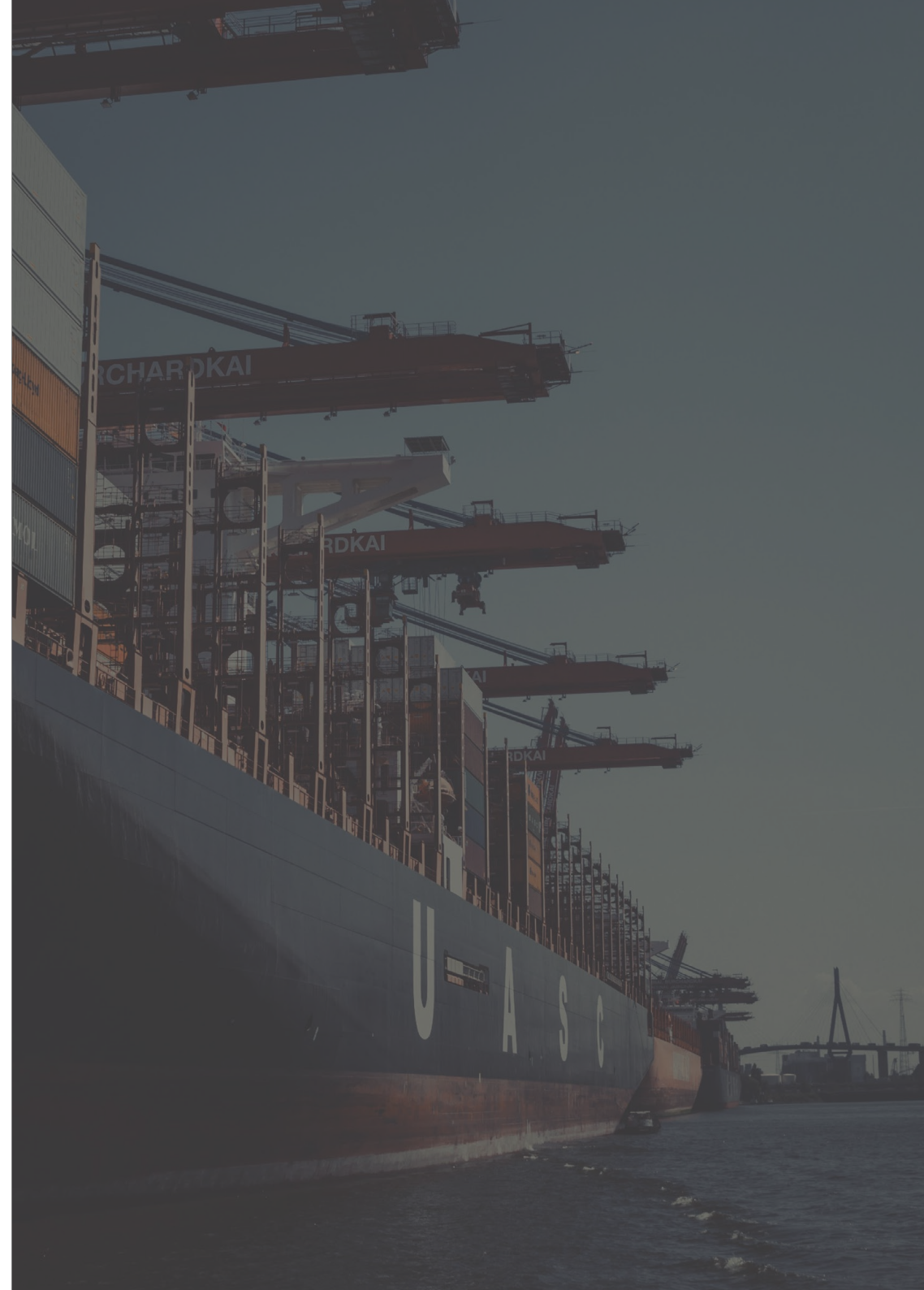
PAY IT FORWARD



Advice for other SMEs considering exporting their products and services.

We asked the participants of this report what advice they would give to another British SME considering exporting their products or services. The number one theme was to go and get first-hand experience of the markets you are considering. Nothing beats first-hand, on the ground knowledge.

But once you've done your research don't hold back!



“ ”

Just do it! It will be the best decision you ever make and allow your business to grow in ways you would never have imagined. Obviously, exporting doesn't come without the risks associated with scaling up a business, but if you make sure you're across all the shipping and exchange rates and understand the different systems, it's a no brainer.

ALEX LOVÉN

Managing Director, Net World Sports

“ ”

You need local knowledge, for both language and market insight. Deploy people on the ground where possible.

ANDREW BULLOCK

CTO, UNiDAYS

“ ”

Finding distribution partners that truly “get it” and are willing to work as if they were an extension of your central team. They are a rare find but amazing when you find them.

JOHN HIBBARD

Co-Founder and CEO, Red Paddle Board Company

“ ”

The UK can very quickly be seen to be a logical choice for a hub of international studies because of the language. Don't underestimate the value of the English language, it is still the international business language.

SEB MARTIN

Founder and MD, Bryter Research

“ ”

Don't be afraid of launching into new markets. Don't be afraid of regulation. Hire a smart CFO or third party to get you started right, but it isn't that hard to launch in a new market. There's lots of advice out there. Ask people who have done it before and hire the right people to help you do it.

Be innovative about how you launch – think about the barriers to entry and be innovative about how you tackle them. There is always another way of doing things that hasn't been done before.

LUKE SMITH

Founder & CEO, Croud

“ ”

Work with local marketplaces, use their market and presence to get your international business off the ground.

SHAUN LAUGHLIN

Managing Director, FreestyleXtreme

“ ”

Get out there and do it with your heart and soul. Meet people. Don't try and do it over the phone, over email, trade fairs – you have to work at it, go to the location, look at the shops, see what the market is like. Some people try and do export by just sending stuff out there and seeing how it does.

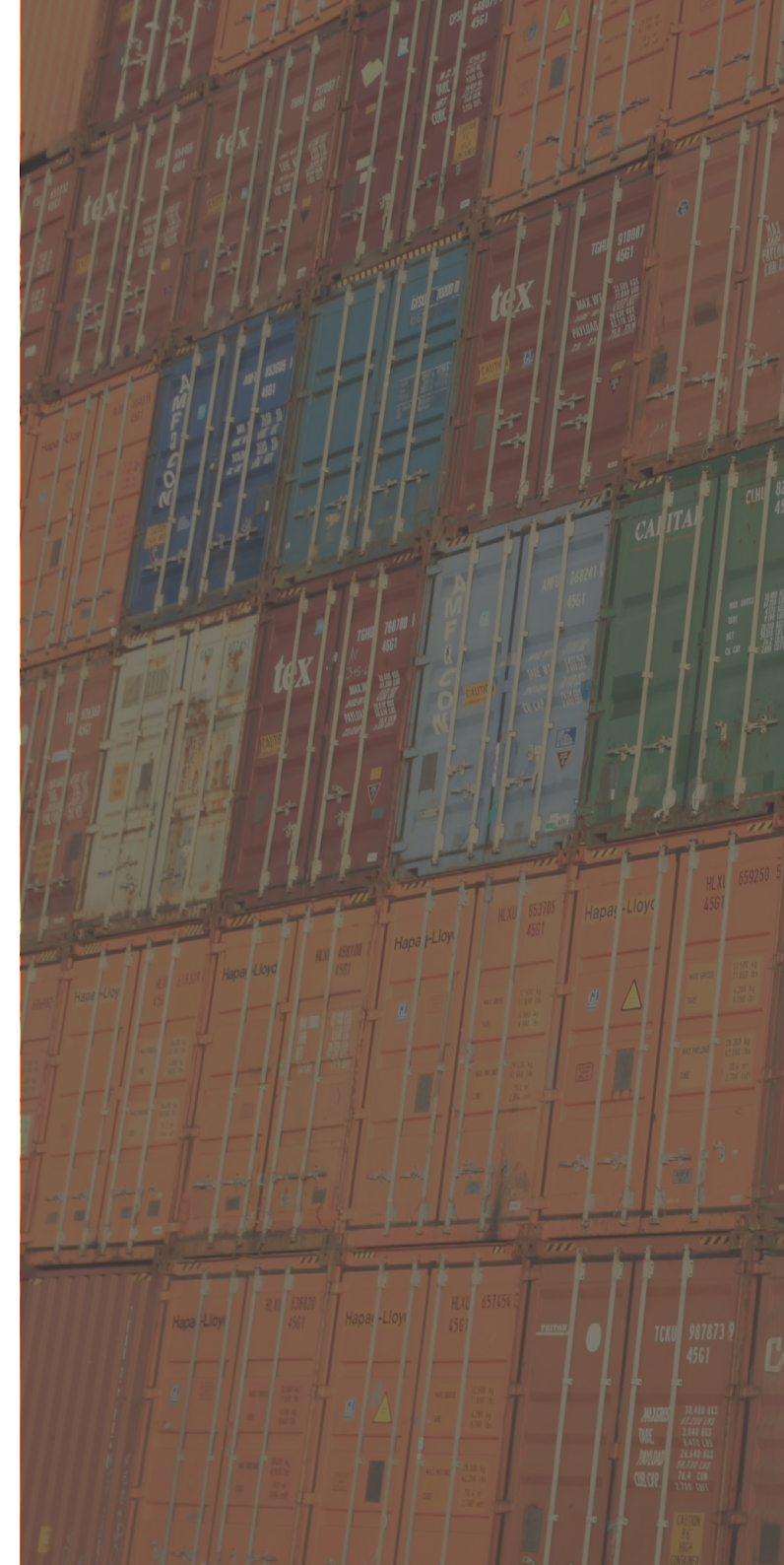
Your partners are human beings at the end of the day – they want to feel excited. Go in there,

meet them and make them feel incredible. At the very least you'll learn something and be stronger.

Learn – you are going to be wrong, all the time. You feel dumb, but that's ok. Learn from it. Feel it. Don't push it away. Feel the shame because it is actually making you better.

ANDREW NEWLANDS

Managing Director, Monty Bojangles



CONCLUSION

In this report, some of the UK's most successful SME exporters have shared advice, examples and opinions on what they've learnt about exporting internationally. There is no one-size-fits-all solution, but there are some important consideration points that emerged from the conversations and research.

Get on the ground

When preparing to launch into a new market, our SME business leaders stressed the importance of getting on the ground and learning as much about your market as possible. Recognising that each market is different is a great first step, but don't forget to soak up as much local market knowledge as possible, to avoid making any costly mistakes.

Data balance

Data is a powerful tool, to help provide some of that local insight. Market data, customer data, social data and operational data can be sourced relatively easily and cost effectively. SMEs should get access to as much data as possible and use it to help find a point of difference or competitive advantage. It's not just about how much data you have, but about how you use

it, set up processes and platforms that enable you to easily draw insights from that data. However, don't be constrained by the data, it should be used to empower your decision-making not restrict it.

Learn from everyone and every fail

Don't underestimate the value and help you can get from your network and from other resources. Not only is there substantial free advice already available from places such as the Department for International Trade, banks and trade portals, other SMEs are often more than willing to share their experiences, tips and discuss mistakes - just as this report shows. Get out there, meet people and grow your network, it's the best way to learn.

Every experience is a learning opportunity, this includes learning from your own mistakes.

Don't brush it under the carpet and move on. It might be embarrassing, but take the time to ask yourself a few questions and pull on data to help analyse where you went wrong and what you can do differently next time. It shows great strength and will make your business better.

The knowledge and experience held by people within your supply chain is also hugely valuable. Whether you work with distributors, suppliers, or an ecommerce software company, these organisations will have come across similar problems or opportunities via other customers or from their own growth. Don't be afraid to ask them questions, use their experience and network. Work in partnership with them to grow, no one can work successfully in isolation.

Take the plunge

Yes, all of the above should be taken into consideration. But there gets to a point where you just need to take the plunge and go for it. Don't be intimidated. There will always be risks, but none of the successful SMEs interviewed for this report got there by simply dipping a toe in the water. The rewards are achieved by those who dive right in.



CONTRIBUTORS

All contributors to this report are listed in the Sunday Times Lloyds SME Export Track 100



ALEX LOVÉN

Managing Director, Net World Sports

Founder Alex Lovén, 30, was inspired to start a sports equipment business after buying a cricket bat via eBay as a teenager and later writing to the supplier to find out the wholesale price. He set up the online sports ecommerce company from his bedroom and in 2009 it became a limited company. Since then the Wrexham company has grown to a 120,000 sq ft site, with eight international websites.

Sales of both mainstream and



ANDREW BULLOCK

CTO, UNIDAYS

Andrew is the person behind the technical platform that is UNiDAYS. A pragmatic problem-solver, he began his career as a software developer over 15 years ago before co-founding UNiDAYS and becoming Chief Technology Officer in 2012. Driving technological change and advancement to create the best experiences for UNiDAYS' members and partners is Andrew's principle concern.

His skill and leadership of the Engineering Teams has helped build the global, multi-million user platform that UNiDAYS is today.



ANDREW NEWLANDS

MD & Founder, Monty Bojangles Chocolate Company

Andrew started his first business, 'Rascals Design' at the age of 19. In 2005, at 24, Andrew started Honeycomb Project Management Ltd., to supply B2B services to confectionery and snacking manufacturers in the UK, the US and Europe.

In 2009, Andrew created the Monty Bojangles brand which has grown to a present day value of circa £15m. In 2015, he purchased the Hope and Greenwood brand, a pioneering 10-year-old sugar confectionery brand listed in department stores and premium retail outlets. In April 2018, Monty Bojangles won the highly prestigious Queen's Award for Enterprise: International Trade 2018.

niche sports equipment to families, schools and Premier League football clubs boosted revenues in 2017, with Net World Sports recording a profit of £5.1m. The company also manufactures its own FORZA PVC football goals.



CAROL CORK

Co-founder and Marketing Director, PrivateFly

With a background in the media and luxury goods industry, Carol understands that for PrivateFly's customers, the definition of luxury is time and exemplary customer service.

No stranger to business challenges, Carol has worked with numerous international consumer brands, on a wide variety of digital sales

and marketing projects. Carol was Promotions Director for the launch of Conde Nast's GLAMOUR magazine, which she helped propel to Europe's biggest selling glossy magazine in under a year.



HAMISH STEVENSON

Founder and CEO, The Sunday Times Fast Track

Hamish founded Fast Track in 1997 with The Sunday Times as media partner and cornerstone sponsorship from Richard Branson. With the help of lots of people, Fast Track has become the UK's leading research and networking events company focussing on top-performing private companies and entrepreneurs.

Fast Track ranks the UK's top private companies in seven annual league tables, ranging from the

fastest-growing to the biggest, and brings them together at 25 annual invitation-only awards events and networking dinners including their flagship event with Richard Branson.



JAN VAN DER VELDE

CEO, Kit for Kids

Jan is the Founding Director and CEO of The Kit for Kids Group, an international company focusing on the career development and growth of children.

Jan is responsible for the strategic vision and development of the Group, both in the UK and overseas. He was previously a designer for advanced jet aircraft (GEC Avionics).



JOHN HIBBARD

Co-Founder and CEO, Red Paddle Board Company

In 2008 when paddleboarding (SUP) was just getting going, John realised it could be made better with an inflatable board. Having spent over a decade as a full-time, sponsored competitor on the professional windsurfing world tour, John was getting pretty weary of pleading with airline check-in staff due to the mountain of cumbersome windsurfing kit required for his numerous international trips. A problem, he realised, that every paddleboarder the world over would have to face if they wanted to travel anywhere with their standard hardboard.

As he paddled, he pondered on this thought. On one hand, SUP was set

to allow pretty much anyone to enjoy, unlike any other watersport before it. On the other hand, how many of those people had enough room to store a 12-foot board, let alone a vehicle to transport it?



JOSH RICHARDSON

Managing Director, Superyacht Tenders and Toys

Inflatable slides, submersibles and water jet packs are on this Ipswich firm's product list. Superyacht Tenders and Toys also gives owners advice on building, managing and selling their superyachts.

Founded in 2011 by former yacht manager Josh Richardson, 35, and his wife Claire, 40, the firm fits out two-thirds of German and Dutch new builds, as well as supplying toys and accessories to fleets owned by

Middle Eastern royalty. International sales were £5.4m in 2017.



LUKE SMITH

Founder and CEO, Croud

Having started out his career at News International and The Economist, Luke then turned his hand to agency relationship management at Google, where his passion for all things digital grew. In this role, Luke managed Google's relationships with media and digital agencies, helping to increase revenues by over 100%.

It was in this role that Luke first met Ben Knight, his future co-founder, with the pair coming together in 2011 to found Croud. Seven years on, Croud is now a global digital marketing agency serving clients

across 100+ markets, with Luke overseeing the commercial and client services parts of the business.



SEB MARTIN

Founder and Managing Director, Bryter Market Research

Seb Martin is the UK MD of Bryter, a UK and US based market research and insight consultancy. Seb has worked in the market research industry for over 20 years, and as a business owner for more than half of that time.

Bryter was started eight years ago with a team of three people and has grown to a £5m+ turnover agency, with offices in London and New York.

As well as running the UK arm of the business, Seb is also a regular

speaker at industry events where he can be found talking about his favourite subject, the psychology of consumer decision-making.



SHAUN LOUGHLIN

Managing Director, FreestyleXtreme

Shaun plans the overall business strategy for FreestlyeXtreme and tries to keep the company going in the right direction.

APPENDIX

Methodology

Croud conducted interviews with 10 of the UK's most successful SME exporters, all of which are listed in The Sunday Times Lloyds Export Track 100. Croud spoke with senior spokespeople at these companies about the role that data plays in their export success. The comments discussed have been used to inform the contents of this report.

The quantitative survey was conducted by Croud in partnership with Sapio Research. It questioned 100 business leaders working in SMEs. All interviews were conducted using an online survey during June 2018.

About Croud

Croud is a global digital marketing agency, powered by the best talent, custom-built tech and the world's first crowd-sourced network of digital experts.

Croud's unique Croud Control technology platform and network of 1,600 Croudies mean it automates what slows other agencies down and delivers clients dramatically more impactful and efficient results.

Founded in 2011, Croud provides services that include SEO, PPC, content, programmatic, paid social and analytics for some of the world's leading brands, including: Regus, Virgin Trains, Interflora and Victoria's Secret.

REFERENCES

Essential Facts You Should Know About SMEs in the UK - Market Inspector, 22 June 2018

What will happen to UK imports and exports after Brexit? - The Week, 1 December 2017



croud

www.croud.com | info@croud.co.uk | +44(0)20 8017 7723