



Beyond Local

Domini Stuart explores how South Australia is rising to the challenge of meeting its ambitious export targets

Fewer than two per cent of South Australian companies are currently exporting – yet, over the last ten years, export revenue has almost doubled to \$7.6 billion

Eager to capitalise on this potential, Premier Mike Rann announced his intention to more than treble this figure to \$25 billion by 2013. Dismissed by Liberal Leader Rob Kerin as unattainable, the target is described as ambitious and courageous by Rann’s supporters.

Central to the proposed expansion is an industry-led South Australian Export Council. Formed at the end of last year, the Council comprises 11 voluntary representatives from a range of business sectors. Their initial challenge was to develop the state’s first ever cohesive export strategy.

In his introduction to ‘Beyond Local, Towards Global: Building South Australia’s Export Culture’, Council Chair Adrian Smith points out that, in order to reach the Government’s targets, South Australian exports will need to grow at an average rate of 12% in the next decade. However, he believes that the state should also be aiming to double the number of exporters by 2006 and diversify its export base. “The Export Council is confident these goals can be achieved by working together,” he says.

A twelve point plan

Launched on November 24, 2004 by the Hon Paul Holloway, Minister for Industry and Trade, ‘Beyond Local, Towards Global’ sets out 12 recommendations for industry and government.

“We are already meeting one of the recommendations to deepen Outer Harbour, with \$25 million in deepening work underway and a further \$50 million of work to be completed by the end of 2005,” says Minister Holloway. “Our \$90 million four lane highway link from Dry Creek to Outer Harbour will be completed by the middle of next year and a pair of road and rail bridges, costing about \$150 million, will be built

by early 2007.

"We are delivering the environment in which industry can lead export growth."

A call for revolution

The Council believes that export growth also requires a revolution in industry culture. Rather than focusing on what Governments can offer, business owners must create and grab opportunities, break down barriers and start thinking internationally.

"No organisation should rely on Government assistance for sustained export focus," agrees Paul Huxtable, Managing Director of Eye Catcher Innovations. "Of course it can help with specific challenges but, unless that help is underpinned by your own efforts, the benefits will only be short term."

"The most important thing is to think globally 100 per cent of the time," he continues. "Don't be afraid to get your bum on a plane to get to an exhibition. When you do, you'll be very pleasantly surprised – in my experience, every sector of South Australian business can hold its own against international competition. But you must have a global perspective to appreciate that."

Alex Szabo is Vice President of Business Development for Bionomics Limited, a company using its own technology platforms for medical research and discovery. He also believes that, if you want to be taken seriously as an international player, you must view travel as an integral part of your business strategy.

"The pharmaceutical industry is built on collaboration – an international pooling of complementary skills," he says. "We form partnerships with companies all over the world, and many of these relationships are forged at conferences and forums. Most of these are held in Europe or America, so Australians are certainly at a disadvantage – it's hardly a question of just popping in. But you have to be there. There really is no substitute for personal contact, especially in the early stages of a relationship."

Providing what customers want to buy

The Export Council is keen to shift would-be exporters' key question from 'How can I sell what I produce?' to "What do customers overseas want to buy, and how can I supply that?"

Eye Catcher Innovations has already seen the value of this concept, creating products with the intention of adapting them for different markets. "Our Protect-It® range of column guards is designed to protect warehouse pallet racking from damage caused by forklifts," says Huxtable. "At the moment, we're developing the product specifically for the US, where columns and racks are a different size from Australia. When it comes to successful exporting, it's all in the detail."

South Australian businesses also need to look beyond the idea of local competition when the real competition comes from the thousands of businesses in the rest of the

world. When individual companies in the same sector band together they create a far more powerful international force.

The wine industry is a striking example of success through co-operation. The Adelaide-based Australian Wine Export Council (AWEC) was formed in 1991 with the intention of increasing awareness and enhancing the image of Australian wines overseas. Working with exporters under the banner of 'Wine Australia', AWEC is active in the UK, Ireland, Netherlands, Germany, Sweden, Denmark, Norway, Finland, Japan, Asia, USA and Canada. As a result, Australian wine exports now exceed domestic sales, with annual export sales of more than A\$2 billion in June 2002.

Ric Anderson, Marketing and Sales Manager of d'Arenberg Wines, describes AWEC as shining a light on world-wide opportunities, encouraging a global mentality and highlighting the areas where time, money and effort can best be spent.

"Exporting has been the saviour of the Australian wine industry," he says. "We have worked closely with AWEC, and now we're selling wine in over 40 countries.

"At the moment, the UK and US are our biggest markets, though we are starting to take advantage of fantastic opportunities in countries like China and India. A growing middle class means people throughout Asia are becoming more affluent, travelling more and looking to the US and Europe – and wine fits well with that lifestyle."

However great the potential, Anderson believes it's vital to move slowly but surely into any new market. "You need to take the time to learn everything, from cultural preferences to legal requirements," he says. "But, however well you do your homework, you can't hope to be successful unless your product stands up against the best in the world. For us, that means making sure that every bottle we sell offers great value for money, whether it's an entry level or super premium wine."

While Government and financial support are critical, in the end the future of South Australia's export economy depends on individual attitudes; there must be a change to the mindset of business owners who have yet to exploit their potential for selling goods or services overseas. "No-one should be afraid to export," says Anderson. "It's really not as scary as it sounds."