Evaluation of the Scotland Food and Drink Export Plan 2019-2024

SE Appraisal & Evaluation Team

Final Report: November 2023

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Executive Summary

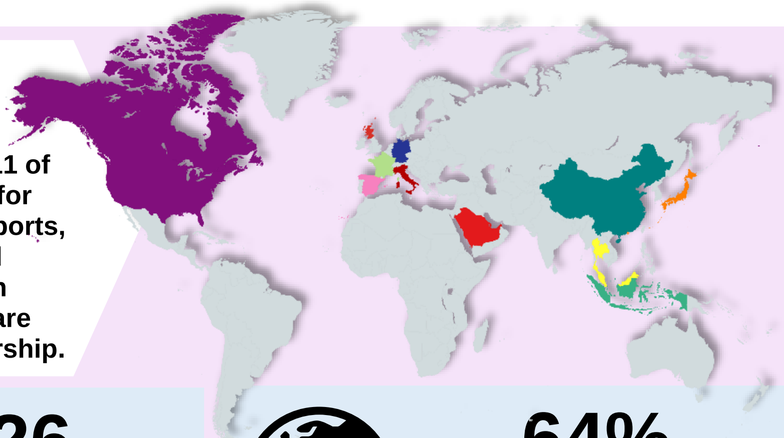
Evaluation of the Food & Drink Export Plan 2019-24

An internal evaluation of the Scotland Food and Drink Export Plan was undertaken by Scottish Enterprise in summer 2023. Alongside desk research, feedback was received from all funding partners and the 16 food and drink in-market specialists (IMS) in post at the time of the study. This was supplemented with survey responses from a sample of Scottish companies supported by SDI and in-market buyers in each region.

The Export Partnership has brought together six food and drink trade bodies with SDI and the Scottish Government, with all contributing funding towards the plan.

16 in-market specialists

employed by SDI across 11 of the top priority markets for Scottish food and drink exports, providing support and intelligence to Scottish producers. 11 of these are funded through the Partnership.



426

Scottish companies directly supported by the in-market specialists 2019-23.

64%

of companies accessed IMS support in more than one priority market.

Largest number of companies supported in: 206 in North America; 197 in Spain; 157 in the Middle East

86%

of supported Scottish businesses would recommend IMS support to others.

Among surveyed in-market buyers:

- **87% have an increased awareness of Scottish produce.**
- **53% have new relationships with Scottish companies.**
- **44% have purchased new products from Scottish companies.**

More than £500m of predicted sales from Scottish food and drink companies attending international trade events.

1. Introduction

This report details the findings of an evaluation of the Scotland Food and Drink Export Plan 2019-2024, hereafter referred to as the 'Export Plan'.

The first iteration of the Export Plan was launched in 2014 and covered a five-year period. It brought together a number of industry bodies, along with Scottish Development International (SDI)/Scottish Enterprise (SE) and the Scottish Government, identifying key priorities for growing Scottish food and drink exports. A key aspect of the approach taken was to introduce in-market specialists (IMS) in the top target export markets for Scottish producers. A follow-on plan, the subject of this evaluation, was launched in 2019 and covers the period to the end of 2023/24.

Delivery of the current Export Plan has had a budget of £4.5m for the five-year period, with a 60% contribution from the Scottish Government, 20% from Scottish Enterprise, and 20% from six industry partners. The Export Plan is overseen by the Scotland Food and Drink Export Board, made up of representatives of each of the partners. Alongside SDI/SE and Scottish Government, this comprises:

- Scotland Food & Drink
- Seafood Scotland
- Scottish Salmon
- Quality Meat Scotland (QMS)
- Opportunity North East
- the Agricultural and Horticultural Development Board (AHDB).

The Scottish Dairy Growth Board and Scotch Whisky Association, while not formal paying partners, have also worked closely with the Export Board.

Method

The evaluation was undertaken by the Scottish Enterprise Appraisal and Evaluation team between April and September 2023, on behalf of SDI and the Scotland Food and Drink Export Partnership.

The study took in:

- interviews with 16 in-market specialists;
- consultation with all of the organisations represented on the Export Partnership, as well as two other trade bodies;
- group consultation with all members of the SDI Food and Drink team based in Scotland and other key SE/SDI colleagues;
- a survey of Scottish companies on their export activity and engagement with in-market specialists;
- a survey of in-market buyers on their engagement with the in-market specialists; and
- a review of events and monitoring data.

A full list of consultees has been appended.

2. The Food and Drink Export Plan

The 2019-2024 Export Plan aimed to continue where the previous plan left off. The document set out the main successes of the 2014-19 plan, including the creation of in-market specialists. These roles were identified as being “at the core of the plan for the next five years”.

As with its predecessor, the Export Plan set out a strategic vision and framework for action rather than a detailed activity plan. The specific targets highlighted – to grow the food and drink industry to £30bn turnover and double the value of exports to £3bn by 2030 – were consistent with those set out in Vision 2030[1], the industry strategy.

The key priorities identified in the Export Plan were:

- A focus on the top prospects of France, North America, Mainland China and Hong Kong, Japan, Middle East, Germany, SE Asia, Nordics, Spain and Benelux, alongside the emerging opportunities of Italy, India and SE Asia, with a continued presence from a team of in-market specialists to help build relationships and drive awareness of Scottish food and drink;
- Continuation of the biennial trade event, Showcasing Scotland;
- Continued presence at global trade shows;
- Inward missions, bringing new buyers to Scotland; and
- Work on logistics and making Scotland more export friendly, building business capacity in Scotland, sharing insights and market intelligence, and identifying and developing future priority markets and trade opportunities.

Implementation of the Export Plan was affected by COVID-19, with in-person events restricted from early 2020 and into 2021, a widespread shutdown in the catering/food service industry, and disruption to trade and logistics. Where possible, some online events were held in place of in-person activities.

In-market Support to Scottish Companies

SDI tracks support provided to companies through a customer relationship management system. Internal reporting shows that the IMS have (as of September 2023) provided support to 426 individual Scottish businesses across the priority markets – see **Table 2.1.** A total of 4,457 instances of support to Scottish companies have been recorded that specifically feature support from an IMS. This indicates that many companies return to the IMS for repeat support.

These figures do not take account of support provided by the SDI team based in Scotland.

[1] https://foodanddrink.scot/media/1465/ambition-2030.pdf

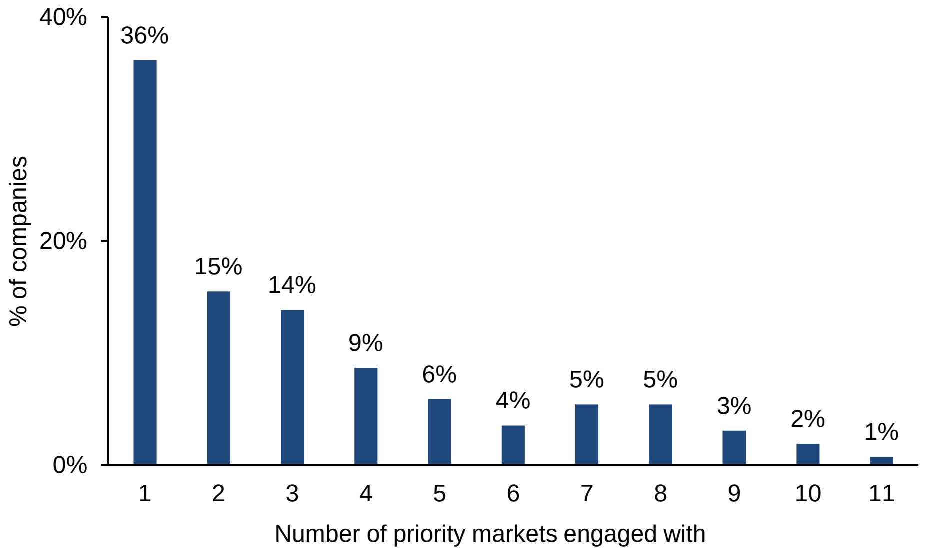
Table 2.1: IMS Activity (2019-20 – Sept 2023)

	Instances of support	Unique companies
North America	659	206
Spain	464	199
Middle East	628	157
Italy	452	140
China	905	137
Germany	280	117
Hong Kong	402	117
France	245	109
Singapore	148	84
Japan	189	80
Nordics (up to 2020/21)	53	38
Indonesia (from 2022/23)	32	17
Total	**4,457**	**426**

Source: SE Dynamics

Almost two-thirds of companies (64%) have engaged with an IMS in more than one priority market, with the remainder (36%) receiving support in one IMS region only – **Figure 2.1.** This shows the ambition of most companies to sell their products in a range of priority markets.

Figure 2.1: Number of Priority Markets Engaged with by Companies (2019/20 – Sept 2023)



N=426 Source: SE Dynamics

The IMS in each country/region prepare quarterly reports for the Export Board, setting out their main activities and achievements over the period, information and market insights relevant to each sub-sector, the economic situation in their market, and any opportunities or activity they have planned over the coming quarter that would benefit from input from the partnership or particular trade bodies.

Trade Events

From the outset, a key element of SDI and the Export Partnership's support has been to support Scottish producers to attend and/or have their products showcased at food and drink trade events around the world. These represent important opportunities to raise the profile of Scottish food and drink, get products in front of potential buyers, and to develop relationships with customers. The

Export Plan (2019-24) included an aim of maintaining a presence at the ‘world’s biggest food and drink trade events’, and maximising the value of this activity through wider networking and showcasing events. In-person events have been significantly disrupted over the last few years, with most events in 2020 and 2021 unable to proceed. In some cases, virtual activity has been held in place of in-person gatherings – although there are obvious challenges with replicating food and drink events in an online setting.

Table 2.1 sets out the estimated predicted sales from Scottish companies that were supported by SDI to attend international food and drink trade events since 2019, based on returned (unaudited) evaluation forms from the companies. A number of other virtual and in-person events also had a Scottish presence over this period, including attendance by the IMS. However, we have only included events below where an evaluation was undertaken afterwards to gather predicted sales data.

Table 2.1: Predicted Sales from Attendance at Food & Drink Events

Event	Country	2019	2020	2021	2022	2023
Gulfood	UAE	£80.5m[1] (11)	£13.1m (5)		£19.8m (7)	£62.4m (14)
Seafood Expo Global	Spain	£58m (10)	Not held	Not held	£250m (13)	£152m (14)
Anuga	Germany	£29.8m (9)	-	-	-	-
Global Foodservice Summit	Scotland	-	-	£12m (15)	-	-
Alimentaria	Spain	-	-		£785k (3)	-

Number of companies returning sales figures is in brackets (including where they have specified £0 predicted)
[1]Includes an outlier with £39.5m predicted turnover

The Global Foodservice Summit was an online conference event organised by SDI and industry partners in spring 2021. A pilot event, it aimed to connect Scottish producers with an international audience through panel sessions, culinary demonstrations, and one-to-one meetings. Over eight different themed days, the summit brought together around 50 Scottish producers and 105 international chefs, culinarians and senior foodservice professionals from 15 countries. Sample boxes were sent to participants ahead of the event.

Inward missions have also been held, with the IMS playing an important role in facilitating this interaction. In 2022, SDI hosted two senior alcohol buyers from Quebec, with a tour of Scottish distilleries and producers, resulting in predicted international sales of £5.5m. A similar visit was organised for buyers from Ontario in 2023. Also in 2023, six French chefs were hosted in Scotland and given a multi-day tour of food and drink producers.

Showcasing Scotland

Showcasing Scotland was launched in 2014 as a biennial international trade fair, coinciding with the launch of the first Export Plan. The event aimed to showcase and connect Scottish food and drink producers to UK and international buyers, and to be focal point for inward trade activities. The event was held again the following year, as part of Scotland’s ‘Year of Food and Drink’, and then in 2017 and 2019. From 2019, Scotland Food and Drink took over the main project management of the event, which had previously been undertaken by SDI.

As with many in-person events that year, the 2021 event was cancelled due to the COVID-19 pandemic. While an event has not been held in 2023, Scotland Food and Drink are intending to bring Showcasing Scotland back in 2024.

91 buyers attended the 2019 event, held over three days in early October at the Gleneagles Hotel. Predicted sales from the event for Scottish suppliers, based on return of evaluation forms, was around £9.4m. However, there were some delays with the evaluation process which then slipped in to 2020. At the same time, the pandemic was beginning to cause uncertainty and attentions were rapidly

diverted elsewhere. A decision was taken to not pursue the return of evaluation forms from companies any further. As such, SDI have advised that the estimated sales figure for 2019 is not comparable to earlier events, which recorded much higher figures (£34m in 2017).

91 international buyers attended the 2019 event, slightly fewer than the 2017 event (with 100), although higher than the total at the 2014 (50) and 2015 (77) events. The breakdown by country is shown in **Table 2.2**, below.

Table 2.2: International Buyers at Showcasing Scotland 2019, by Priority Market

Priority Market	Number of Buyers
USA	14
China	10
Middle East	10
Japan	9
Germany	8
Nordics	8
Canada	7
France	6
Hong Kong	5
Italy	5
Spain	5
SE Asia	2
Other markets	2
Total	**91**

3. Feedback from In Market Specialists

Introduction

This chapter details the feedback provided by 16 in-market specialists in post at the time of the research. They were invited to participate in one-to-one interviews conducted via Teams. A small number involved a joint interview with two IMS from the same geography.

The specialists were asked to give their insight into the following areas:

- the overall performance of the Food and Drink Export Plan 2014-2019;
- key successes both individually and with regard to the Export Plan;
- which aspects of the plan have been most effective;
- challenges/barriers impacting on delivery;
- how to improve the export readiness of Scottish companies; and
- changes/ improvements required in the future.

Time in post varied widely between IMS (between four months and nine years). Just over half of those interviewed had been in post for two years or less.

Table 3.1: Respondents

Geography	Number
Europe & Middle East	5
Asia Pacific	8
Americas	3
Total	**16**

Effectiveness and Key Successes

The IMS were first asked about their overall perception of the performance of the plan since 2019. A small number indicated their lack of knowledge and awareness of a "formal" export plan for the Food and Drink Sector in Scotland. However, these responses tended to be from more recently appointed IMS (less than one year in post) but who agreed there was a clear rationale for having a distinct export plan for the sector based on their experience of the role to date.

All IMS agreed the plan was effective to varying degrees. Two IMS indicated the plan was fully effective and working very well but all were able to identify areas which could be improved. One indicated they felt the previous iteration of the plan was more effective (mainly due to the partnership approach not working as effectively as before and reduced budget availability).

All IMS believed having an IMS specialist with industry knowledge "on the ground" within markets was important. All described a range of activities within their markets they felt were a success or particularly effective, including:

Direct Company Support

All IMS provided examples of working one to one with Scottish companies to support their exporting journeys at various stages, with several examples given where the support directly led to new products being introduced, growing existing market share and ultimately contracts and deals signed with buyers in market.

Two IMS also highlighted the importance of identifying where their market was not the right fit for a company, or the timing was not right.

Support was wide ranging from basic business advice to identifying leads and contacts through to helping to broker significant deals with customers in market. The level of support provided varied depending on particular company needs and stage of export readiness/export development.

There was evidence of supporting a range of companies from larger, experienced exporters to smaller companies exploring exporting and markets for the first time. Some IMS felt they could equally support both types of companies and add significant value.

Examples of successes across the three global geographies included:

- working in partnership with Seafood Scotland and Scotland Food and Drink to introduce a Scottish mackerel supplier to one of the biggest supermarket chains in Japan;
- development of the "Export Ready Document" in the US to help support companies to prepare and execute their exporting plans in the US markets; and
- St Andrew's networking event and showcasing Scottish products at the British Embassy in Paris.

IMS as a trusted intermediary

Six IMS specifically highlighted the industry knowledge and expertise (and sales backgrounds) they had brought to their roles through their background in relevant sectors as well as the network of contacts they had continued to develop. Having this expertise meant in-market buyers saw them as a "trusted intermediary" and helped open doors for Scottish companies to develop relationships with in-market buyers and ultimately make sales:

"The IMS having a strong sales background helps companies see things through to results."

COVID-19 Support and Recovery

For the IMS in post during this period, all believed their role was vital in helping companies navigate the effects of the pandemic on their business and that their support was critical in the COVID recovery period. This included helping companies re-enter markets where they had withdrawn as well as taking a strategic view of what needed to be done in-market during COVID.

"My role was to look at what we could do in this situation – prioritise tasks. We categorised which products still had a chance to be sold to retail and where the demand was. It was a big achievement to switch focus. "

The COVID-19 Recovery Funding was highlighted as a particularly useful tool to address challenges from the pandemic, including where it allowed some IMS to undertake B2C retail promotion activities.

Brexit Support

For the IMS in post, several (mainly EMEA) report they played a major role in helping companies navigate the challenges of Brexit and understand the implications for their business including understanding new paperwork, certification and regulatory issues.

In-Market Events

IMS highlighted several successes in the form of "events" which connected Scottish companies directly with key in-market contacts, specific examples included:

- French Chef's Inward Mission (France);
- Trade Promotion Campaign (Italy);
- Barcelona Seafood Expo (Spain);
- Gulfood trade fair (Dubai);
- Showcasing Scotland (Hong Kong and China);
- Inward Missions (North America); and
- Buyer activation events (US) .

Additional/Discretionary Funding

Nine IMS highlighted that additional funding had made a real difference to their activities by allowing them to develop responses to specific in-market challenges, particularly with marketing and promotional activities. This mainly related to COVID-19 recovery funding that was made available through Scotland Food & Drink. IMS valued the ability to direct these funds, albeit relatively small in value, to particular areas of need, allowing them to conduct in-market activities at a time when other activity, such as visits, were limited.

Collaboration/Partnership Working

The majority of IMS provided examples of effective partnership working with both trade partners and other IMS as well as examples with other external partners such as Defra and DBT. These included working with trade bodies to support companies and deliver specific activities.

There were several examples of effective partnership working with Seafood Scotland, for example:

"In Spain, we work closely with Seafood Scotland, one example is the work we did to develop links with hospitality schools to raise awareness of Scottish produce, particularly salmon."

However, there was feedback that there is still more progress needed to establish and develop relationships with trade partners in some areas. This tended to relate to the newer IMS who were keen to develop relationships and partnerships with trade partners which had not yet developed to the stage they had anticipated or hoped for.

There were also examples of IMS and SDI specialists working collaboratively across teams and geographies to deliver common goals. For example, several cross-team IMS projects involving Spain, France and Italy and cross team activities to promote gift boxes in the US.

Up to date company information and market intelligence

Half of IMS specifically highlighted the importance of having accurate and up to date information and intelligence on Scottish companies and sectors. They believed having this information has a direct influence on the effectiveness of the role.

"We cannot provide effective representation without the relevant information about sectors and Scottish companies (particularly pricing strategies)"

Several IMS also noted the effectiveness of in-person meetings and events such as the Global Insights event in 2022, to gain insights and meet with Scottish companies, colleagues and trade partners directly.

Barriers and Challenges

IMS were asked to describe the main barriers and challenges that have impacted on delivery of the plan. The following themes were reported:

Brexit

Alongside Covid, Brexit was identified as a major external challenge to be managed, notably in the European markets. The EU-based IMS noted the following:

- Brexit has had a huge impact and makes the role of the IMS much harder;
- it is much harder now for SMEs to do business in Europe;
- Brexit has reduced the credibility of Scottish companies;
- some Scottish companies have scaled back or stopped exporting completely;
- the exporting process now takes longer with some companies now unable to meet buyers' schedules;
- there is a risk that buyers seek easier solutions elsewhere; and

- evidence that competitors (especially Ireland) have benefitted hugely from Brexit.

Strong competitor marketing campaigns

Ten IMS identified successful brand awareness campaigns by competitor countries such as Norway and Ireland (primarily in seafood) as well as some strong regional campaigns as particular challenges for their activities in market. Some noted the large budgets spent by competitors and that Scotland was generally unable to compete on marketing and promotion.

Two IMS also noted the effect of *"buy local"* campaigns in their markets creating additional competition from local suppliers.

Scottish companies' focus on geographically closer markets

Asia based IMS, in particular, noted some Scottish companies are frequently more focussed on nearer "easier" markets despite the level of opportunities and demand available from markets such as China, especially in seafood. The following challenges were noted:

- retaining the quality of fresh produce;
- logistics issues and costs;
- less opportunity for in-in market visits; and
- lack of understanding cultural issues.

Product Supply / Availability

Five IMS noted challenges around insufficient or inconsistency of product supply from Scottish suppliers.

"some Scottish suppliers are not committing the required volumes for export"

"produce is not available to fulfil the demand stimulated by the promotional and other support activities we are delivering""

There were also examples from two IMS where companies were reluctant or slow to provide product samples to the IMS for in-market promotion. There is a reluctance from some Scottish companies to take on smaller orders as they did not see these as worthwhile (despite the opportunity of larger future orders if these smaller orders were fulfilled successfully).

Overall, IMS report these supply issues have led to a loss of credibility of the IMS with their industry contacts and showed a lack of commitment from some Scottish companies (where it related to individual companies). IMS felt this had an unfair negative knock-on effect for other Scottish companies/sub-sectors they were trying to promote. Having better visibility and understanding of any potential supply and capacity issues at a sector or company level would help mitigate against this.

Costs/Pricing Issues

Four IMS highlighted cost and pricing related issues as a challenge, including increased logistics costs for further away markets; cost of living rises affecting many markets; less disposable income available for premium produce and challenges for the price point of some premium Scottish products.

"Germany is very price sensitive and used to low supermarket prices, stimulating enquiries and demand is effective but pricing of Scottish produce can be an issue."

Lack of Digital Marketing Platform

Related to marketing and promotion barriers, four IMS reported the lack of progress with an online digital platform as a key barrier. Establishing this type of platform would help support marketing and promotional activities.

Improving the export readiness of supported companies

When identifying barriers, five IMS also highlighted Scottish companies' lack of preparation as a specific barrier to be addressed. For some IMS this frequently resulted in more time spent on non-core IMS tasks such as translation or providing basic business advice.

Two IMS highlighted examples of poor behaviour by a very small number of Scottish companies with in-markets contacts e.g. failing to turn up to scheduled meetings and generally poor business communication skills. These issues were felt to reflect a lack of understanding of and commitment to the market and potentially damages the IMS reputation and of other Scottish companies.

IMS were also asked for their views on how Scottish companies could be made more "export ready". Most indicated that readiness varied by company. Suggestions were broadly related to training and or/information provision i.e.:

- basic business skills education (including sales training and business and strategic planning);
- reinforce the importance of preparation and showing commitment to the market (including the financial and time commitments needed);
- exporting technical training;
- promote better market understanding in terms of culture and language requirements, competitors, and export opportunities;
- encourage a more focussed and strategic approach to exporting; and
- better information sharing between IMS and Scottish companies (on markets/opportunities/support available):
    - in Scotland – IMS visiting Scotland and meeting with companies directly
    - encourage more in-market visits by Scottish companies (e.g. learning journeys, mini market visits, attendance at events – *but preparation is key*)
    - webinars/virtual events.

Suggested Improvements

IMS were asked what specific improvements should be made in the future:

- **Improve the export readiness of Scottish companies:** all IMS reported that there should be an additional focus on improving companies' preparation and export readiness, including encouraging in-market visits where feasible, market intelligence (two-way between Scotland and the IMS) as well as more business and exporting training for companies;
- **Enhance marketing and promotional activities in-market** - in response to strong campaigns from other countries and regions (particularly in seafood), ten IMS reported the need to enhance/increase marketing and promotional activities in market to raise the profile of Scottish food and drink;
- **Improve partnership working and communications / leverage external partnerships -** whilst there were several examples of good partnership working with trade partners, ten IMS highlighted the need for continued improvements in both partnership working and communications. More communication and joint working with external partners such as DBT and FCDO/Embassies would also leverage more benefit for Scotland;
- **IMS need better company and sector intelligence from Scotland -** eight IMS highlighted the need for better access to company information and sector exporting strategies, profiles and plans. The Global Insights in-person event was highlighted as a successful example of two-way sharing of information between IMS, partners and companies;
- **Continue a targeted approach to trade shows and events -** seven IMS reported the importance of trade show participation within their sectors which they were keen to continue, highlighting the need for strategic, targeted and niche approach;

- **Flexible, discretionary funding for in-market activities -** six IMS were keen to continue to access additional funding which could be used flexibly to address in-market challenge and issues;
- **Understand and address supply/availability issues -** in the future, having a better understanding and visibility of product supply issues was highlighted by five IMS as important and to reduce reputational risk; and
- Four IMS reported the need to progress or re-establish discussions on an **online marketing solution** for the sector. This would support promotional activities in-market as well as keeping IMS up to date with sectoral and company information.

4. Feedback from Consumer Industries Regional Heads

Consultations were held with SDI Consumer Industries heads for the three regions: Asia; North America; and Europe, Middle East and Africa. They have oversight of the IMS in each region.

Performance of the Food and Drink Export Plan

Similar to the IMS, all indicated the plan was broadly the right approach for the sector but made some suggestions for how it could be improved. One consultee noted the very strong alignment between the plan and A Trading Nation. The ability to flex and tailor the approach (in terms of people resource and activity) to each geography was also highlighted as successful.

Effectiveness and Key Success

All believed the role of the IMS as in-market resource to have been a very effective approach and that it will continue to be important in future. This was evidenced by:

- the level of opportunities available to Scottish companies (with a large increase in the number of opportunities being recorded);
- the ability to respond to these opportunities, especially during and post-COVID; and
- positive feedback from Scottish companies in-market.

It was also noted the range of activities and focus has differed among the IMS and the priority markets depending on what was required in-market. It was noted by one team leader that following recent staff changes, the ability to re-organise and strengthen the team with additional industry expertise, focusing on key specialisms, had been particularly effective.

Key success highlighted included:

- taking a flexible and focused approach to trade shows (EMEA and Asia) – this included success at the recent Seafood Iftar event which merged cultural and commercial objectives within one event (held in Dubai one month after Gulfood), as well as the continued presence at the major trade events of Gulfood and Seafood Expo;
- the inward mission approach in North America;
- promotional campaigns, including an e-commerce campaign in Asia;
- increased focus on quality and the ability to match opportunities to company capabilities;
- the additional funding available through the COVID Recovery Fund; and
- examples of effective partnership working with trade partners in-market.

Barriers and Challenges

In addition to the challenges presented by COVID and Brexit, the following were also highlighted:

- Scottish companies export readiness/preparedness: companies lack of preparation and strategic focus and a reluctance to visit markets (often due to cash flow issues), as well as a loss of overall confidence among some companies, with them withdrawing completely from markets;
- Scottish product supply and capacity issues: the difficulties of creating demand and opportunities in-market that cannot be fulfilled by Scottish companies poses challenges for IMS. More insight and understanding of these issues is required; and
- Partnership working: there were mixed views on the effectiveness of partnership working in-market. In some areas it has been working well at an operational level, in others less so with different experiences with different trade partners.

Areas for Improvement

The following areas were identified for improvements:

- Support Scottish companies to be more strategic: help companies to be more strategic and focussed in their export planning and execution including encouraging more market visits;
- Improve strategic level partnership working: increased visibility, discussion and co-ordination of partners' strategic plans to:
  - understand the longer-term visions of the trade partners and future development of sectors
  - provide greater visibility and understanding of supply issues with a short/medium/long term (data driven) view
  - improve sharing of strategic information/market insights (2 way between SDI and partners)
  - support resource/budget planning and coordination (including discussion and agreement on where costs and budgets should be shared)
  - reduce duplication to give more clarity on partners' roles and responsibilities; and
- Improve internal communications/working within SE/SDI:
  - re-instating the previous "holistic" approach to company support involving trade specialists, account managers, IMS and other relevant contacts when needed
  - better internal integration of trade support and new product development support to improve access to innovation support and help companies better understand trends/insights in new product development.

Other suggestions included:

- promote senior level representation by partners at Export Board level;
- consider extending the length of IMS contracts to reduce churn; and
- review new market opportunities in Mexico, Saudi Arabia, South Korea and Australia.

5. Feedback from Scotland-based SE/SDI staff

Two sessions were held with the SDI Food and Drink team based in Scotland to gain feedback on the Export Plan and how they have been working with the IMS over the last few years. Each of the SDI food and drink team members manages a varied portfolio of companies from a range of sub-sectors and across Scotland. Most were longstanding members of the team, with a couple of more recent joiners from elsewhere in SDI. The Team Leader and SDI Head of International Trade for Consumer Industries also provided valuable feedback.

Effectiveness and Key Successes

Generally the current set-up was felt to be working well and creating benefits for Scottish companies. Key points highlighted were:

The IMS

- All felt that there are clear benefits to having the IMS in post and that it is an important part of SDI (and the partners') support offer to Scottish exporters. The turnover in staff experienced in some regions over the course of the 2019-24 Export Plan was said to have impacted on its performance. While it was felt that new recruits can bring in new ideas and energy to the role, their existing experience and skills will naturally be mixed. It was therefore said that it can take time for them to 'grow into the role' and to build up a network of in-market contacts and sector knowledge. It was recognised that the SDI team in Scotland can play a role in supporting new IMS colleagues with this.
- It was felt that the IMS should be prioritising the core activity of building commercial relationships and links for Scottish companies. The importance of not "overpromising" what can be done for companies was also highlighted, as well as ensuring that contact is followed up on (even if just to get feedback on why something has not gone ahead). Some felt there may be benefits in sharing best practice among the IMS, such as examples of initiatives or practices that have worked particularly well.
- The ability of the IMS to provide on the ground intelligence during COVID-19 lockdowns and subsequent reopening was felt to be particularly useful.

Events

- The current approach to trade events was felt to be about right – it was noted that there does sometimes need to be bold decisions about where to prioritise resources.
- There is a perception that big trade fairs do not always delivery a good return on investment, given the expense involved with having a dedicated Scottish presence at them.
- Alternative approaches, such as attending smaller, more niche events and inward missions focused on particular customers/markets, were felt to deliver better value for money.

Working with Partners

- The partnership brought together for the Export Plan is felt to be a good mix of organisations and the correct approach.
- The team have had different levels of interaction with each trade body, reflecting how hands-on they are with working with companies and supporting international trade activity.
- It was felt that it was important to have clearly defined roles and activity plans among partners, which will help avoid any conflict over who is doing what. It was said that there can sometimes appear to be overlap in export support activity between organisations, which can be confusing for companies, and lead to conflicting demands on IMS time.
- The inclusion of the SWA as a formal partner in the next Export Plan was felt to be desirable – there is a growing number of smaller spirits producers who are benefitting from the Export Plan and IMS support.

- Relations with the UK Government's Department for Business and Trade (DBT) were also said to be positive, and the SDI team will make referrals to them where appropriate, such as when they receive a request for market support in a region where SDI do not have a presence (referrals to the GlobalScots network are also made in these circumstances). There has also been cooperation with DBT around trade fairs and events, with SDI, trade bodies and/or Scottish producers able to participate as part of a UK presence. There can sometimes be branding issues associated with this, and it was felt that at times there could be more notice given of when opportunities are coming up to collaborate, across all partners.
- In all cases, it was felt that better and clearer information sharing between partners will support more effective delivery of the Export Plan.

Barriers and Challenges

On the whole it was felt that there is less desire and less capacity for exports in some sub-sectors. Reasons highlighted included constraints on labour supply, the high and rising costs of exporting, higher input costs, and complications arising from Brexit. It was also noted that producers in some sectors (such as red meat) are effectively at full capacity with servicing existing contracts and meeting demand in the UK, so will simply have less appetite for wanting to grow overseas markets. There is felt to be plenty of demand for Scottish products in export markets, including new opportunities being uncovered by the IMS, but the challenge is then being able to match these to supply.

Priority Markets

The food and drink team in Scotland are working with a wide range of Scottish food and drink exporters and are often the first point of enquiry when it comes to seeking knowledge and insight on overseas markets. As such, they field enquiries about markets that producers are interested in exporting to. They were asked for their views on whether the IMS are currently located in the right markets, and if there are any other regions that should be considered by the Export Partnership.

As among other consultees, there were a range of views. Some of the countries/regions mentioned where there is not currently a presence included Australia and New Zealand, South America, and India, particularly with relating to a potential new trade deal in the case of India. This may lead to a surge in demand for whisky in India, although consultees were unclear on whether the market has suitable logistics, cold storage etc in place at present to facilitate this growth. It was also noted that DBT have a member of staff in the region who formerly worked for SDI.

It was highlighted that before placing an IMS in any new region, there would need to be a good level of confidence that there is enough interest from and in the region to justify it, particularly given the complexities of some emerging markets.

There was uncertainty about the level of enquiries coming in for the Indonesian market, but a willingness to see if it works. Generally, Europe was still felt to be the key market for exports, while Asia was identified as still in post-COVID recovery, but steadily picking up.

Project Learning and Improvements

In summary, key learning and improvements suggested for a future Export Plan were:

- In some cases there could be better information sharing between all partners. However, there is a feeling that this has improved over time, despite some unresolved issues with sharing individual company data.
- The aim should be to have a cohesive international trade plan, that is aligned with the Scotland Food and Drink Strategy and A Trading Nation, that everyone can work to, and which avoids duplication of effort and resources.
- Use evidence and insight from SDI and the wider Export Partnership to consider which markets to prioritise in a new Export Plan – there is not felt to be anything wrong with the

current mix of markets (all of which are either a key market for Scotland or have potential as an emerging market), but there may be opportunities elsewhere where is currently a limited support offer.

6. Feedback from Export Partnership members

Consultations were undertaken with all of the organisations represented on the Scotland Food and Drink Export Partnership. The partnership oversees the delivery of the plan, meeting quarterly and co-chaired by SDI and Scotland Food and Drink.

Level of Involvement and Effectiveness

Initial discussion focused on how each partner had been involved with delivery of the Export Plan since 2019, including how this supported their own organisation's priorities. Food and drink is a key plank of the Scottish Government's export growth strategy, *A Trading Nation,* so there remains strong strategic alignment at a national level. Overall, there was a strong level of support for the key principles of the Export Plan, including the IMS. All highlighted the challenges brought on by the last few years for their sector, whether Brexit, COVID-19 or inflationary pressure over the last 18 months and said this had impacted export capacity and performance.

A few partners felt there is a disconnect between the Export Plan, which is more of a high-level strategy that sets out broad principles, and how activity is actually planned and delivered. They highlighted that the Plan could benefit from more transparency, such as through development of a more detailed delivery plan, setting out what the Plan wants to achieve and by when. This would help delineate responsibility among the partnership.

Overall, the partnership was felt to work well, but with some scope for improvement. This includes better communication around upcoming opportunities (including with and from the IMS) and accountability on Export Board decisions, i.e. who is responsible for coordinating and seeing them through – a view shared by the Scottish Government representatives.

When it came to partnership working, the role of DBT was also mentioned. Some trade bodies felt there could be more visibility of what DBT are doing and investing in, including where they are planning a presence at in-market events.

Working with the IMS

Partners have had different levels of involvement with each IMS, reflecting the extent to which they actively involved in international trade, as well as the priority markets for their sub-sector. Feedback included:

- Most consultees were able to point to examples of where they or companies within their sub-sector have made use of the IMS and the benefits that this has led to. It was felt to be particularly beneficial to smaller companies, easing their path to market.
- Opportunity North East noted that even relatively large exporters, such as seafood companies, tend to have a small number of sales staff, and typically do not have any dedicated export specialists. Therefore the IMS can play an important role in helping them reach new markets and buyers, growing their capability and confidence in new markets.
- As well as the introductions and links directly leading to direct sales, the ability of the IMS to provide market intelligence was highlighted as one of the key benefits for the trade bodies. This was important during the COVID-19 pandemic, when matching up supply and demand was sometimes challenging, particularly for produce with a short shelf-life. Seafood Scotland described how regular reports from the IMS over 2020 and 2021 of where there was demand, and where closures were in effect, was of great value for their members in determining the required quantities of catch and "how many boats to send out". One trade body also

highlighted the value of the IMS when they are able *to "start educating us on opportunities in their markets… what their buyers want, where the gaps are, and where the added value is."*

- Having an IMS presence in-market ahead of and after attendance at trade shows is also a benefit – trade bodies that are active in attending events described how they have used the IMS to set up meetings ahead of attending, as well as conducting follow-up afterwards.
- There was a mix of views on how 'accessible' the IMS are for partners. Some said they have always been able to receive help when they wanted to, while one said that they felt the needs of partners (who are contributing financially) could sometimes be better recognised when it comes to setting IMS priorities. One organisation felt that they could be making much more use of the IMS, and hope to look at this in future.
- The continuation of funding for the IMS to carry out activities in-market would be positive – helping to get Scottish produce in front of buyers, support promotional activities, and improve in-market reach.
- A common theme across interviews was concern over IMS staff turnover, with the resulting loss of built-up in-market expertise and contacts. Some felt longer contracts would provide more certainty and one said that more could be done to retain key staff members.

Priority Markets

There were a range of views on where to utilise the IMS resource, particularly regarding specific opportunities for different sub-sectors. It was felt that there is a need to strike the right balance between emerging opportunities, which always involve an element of risk, and existing markets that represent the bulk of sales or are particularly important for certain sub-sectors – but different views on where this balance lies. There were no clear views on where to end the IMS presence. The following countries/regions were mentioned by partners:

- India was highlighted as particular opportunity for whisky, with the SWA stating that an IMS in the country would help companies assess if they are ready for this market;
- South Korea – seafood and spirits;
- Gulf Region – good existing presence that can built on; and
- SE Asian markets, including Thailand.

QMS highlighted that, although 90% of red meat exports are to the EU, they would not usually need to call on the services of the IMS based in these countries (although have on occasion), as the small number of exporters in this sub-sector already have strong links in these markets. However, they would see the benefits of using the IMS in less established markets.

It was noted by several consultees that some companies have stepped back from European exports following the implementation of Brexit.

Project Learning and Improvements

The following points were highlighted:

- Better intelligence and communications on supply and demand, ensuring that opportunities can be matched with producer capacity and buyer expectations can be managed by the IMS.
- More could be done to communicate export success stories and how this relates to IMS presence and the Export Plan.
- The current approach to events was felt to be about right, including by organisations which take a more active role in export activity (e.g. Seafood Scotland). Trade shows are rarely worthwhile in isolation and benefit from an on the ground presence to support introductions and follow-up with buyers afterwards, and ideally year-round activity. Niche and targeted events were felt to be of benefit alongside a presence at some major events, such as Gulfood and Seafood Expo.

- All partners agreed that the Export Plan represents value for money, has been worth their time and financial investment, and agreed that there is a need for a third phase of the plan. A couple of trade bodies, as well as the Scottish Government representatives, felt a more detailed Export Plan (or, for example, an annual delivery plan) would help partners plan more effectively and know where to focus. This could also be developed with input from the IMS and increase the sense that everyone is working towards the same objectives.

7. Scottish Company Survey

An online survey was distributed by email to Scottish companies relationship managed by the SDI Food and Drink team. The survey received 50 responses, representing around 20% of the total portfolio. However, not all respondents answered all of the questions, so the sample size varies across each question.

Company Profile

Table 7.1 sets out the main food and drink sub-sector that each respondent reporting trading in, with the largest proportion in spirits (39%). Those answering 'other' specified this as free from/vegan (two responses), pouched food and drink (one), oats (one), and that they are a brand agency (one). No respondents said that they work in the dairy sub-sector.

Table 7.1: Respondents by Sub-sector

Sub-sector	Number	%
Spirits	17	39%
Bakery	8	18%
Premium Grocery	7	16%
Seafood	6	14%
Confectionery & snacks	5	11%
Beer & cider	3	7%
Fruit & Veg	3	7%
Salmon	2	5%
Red Meat	2	5%
Soft drinks	2	5%
Other	5	11%
Total	**44**	**100%**

Multiple responses possible.

In terms of company size, all scales of business were well represented. Just over a quarter (26%) were micro businesses with of fewer than ten employees, 34% were small businesses of 10-49 employees, 30% medium sized, and 10% large businesses – **Table 7.2**

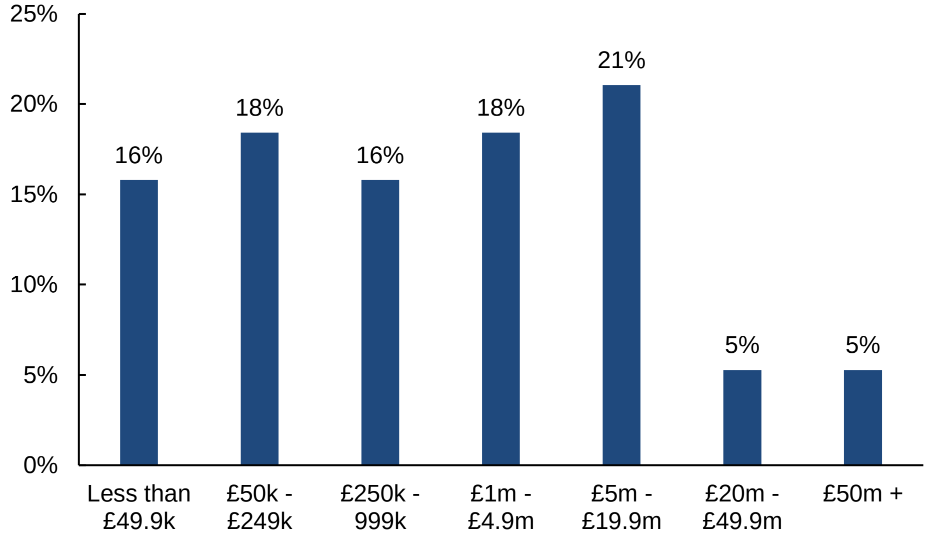
Table 7.2: Company Size

Number of employees	Number	%
1 – 9 employees	13	26%
10 – 24 employees	11	22%
25 – 49 employees	6	12%
50 – 99 employees	6	12%
100 – 249 employees	9	18%
250+ employees	5	10%
Total	**50**	**100%**

The vast majority of companies (96%) are active exporters, reporting that they had exported goods and/or services outside of the UK in the last 12 months. Two companies reported that they had not.

38 companies provided a figure for their exports over the last year, totalling £263m – see **Figure 7.1.** Exactly half (50%) reported export sales of less than £1m.

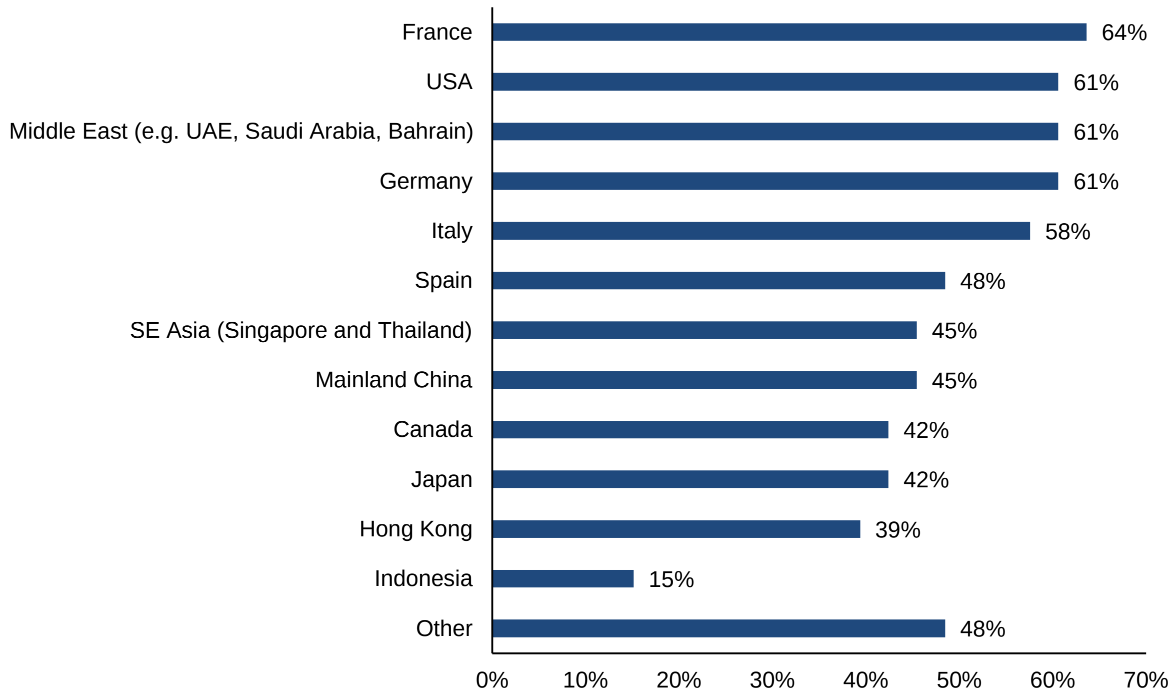
Figure 7.1: Approx. Value of Exports in Last Year



N=38

Companies were asked whether they had exported prior to the launch of the current Export Plan in 2019. Three quarters of respondents (75%) said that they had exported prior to this, with the remainder (25%) having started exporting since 2019. As **Figure 7.2** shows, France, the USA, the Middle East and Germany were the most common markets for exports prior to 2019.

Figure 7.2: Countries Exported to Prior to 2019



N=33

Nearly half (48%) detailed other countries on top of those already listed. Most mentioned one to three others and typically European countries or regions, notably the Nordic countries, the Netherlands, Belgium, Eastern Europe, Switzerland, Austria, and Ireland. Others mentioned by at least two companies were Australia, Taiwan, and the Caribbean. Four respondents were particularly prolific exporters, listing a large number of countries.

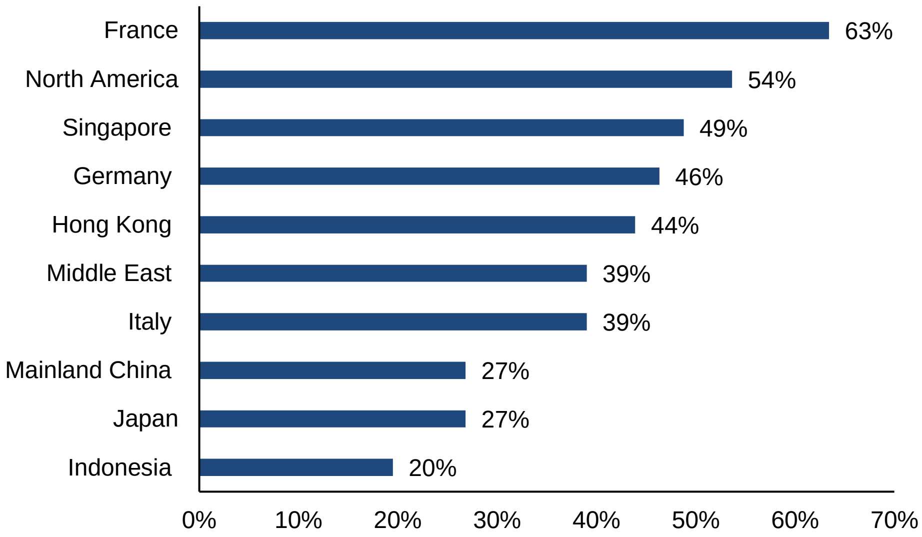
Interaction with In-Market Specialists

Although not a condition of undertaking the survey, all respondents reported that they had accessed support from at least one of the in-market specialists since the launch of the current Export Plan (2019). Reasons for seeking support were specified as follows:

- the vast majority (93%) wanted to **explore or enter a new geographic market**;
- 85% wanted to **increase sales in an existing market**; and
- just over one-third wanted to **maintain or safeguard sales in an existing market**.

The IMS in France was the most commonly accessed by responding companies (63%), followed by the specialist teams in North America (54%) and Singapore (49%). The relatively low proportion accessing support from the IMS in Indonesia reflects that this is a new position, introduced in 2022.

Figure 7.3: Company IMS Engagement since 2019



N=41. There is also an IMS presence from Spain – this was omitted from the survey in error.

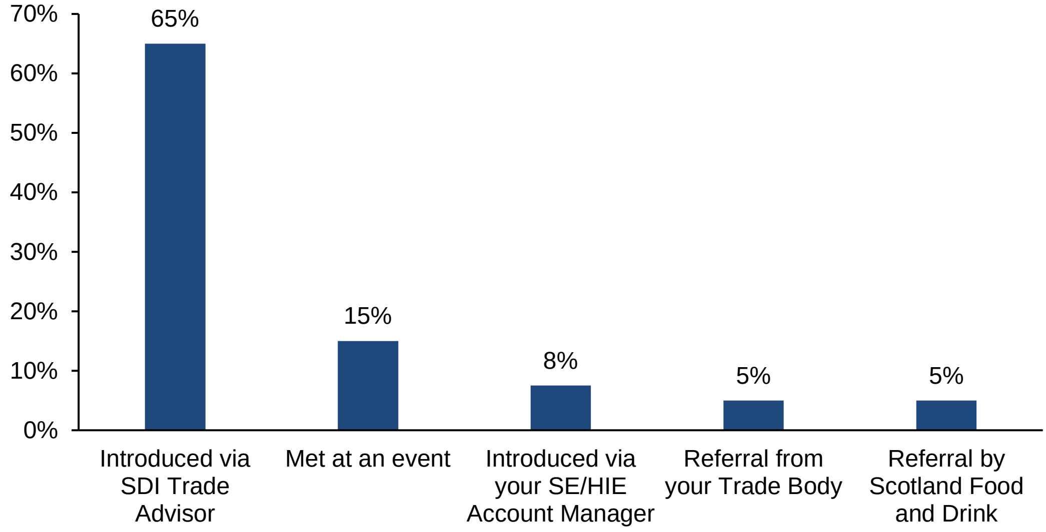
Most companies (90%) had received support in more than one priority market. There does not appear to have been any consistent pattern with how the priority markets companies sought support in crossover with one another. This may reflect that the highest number of survey responses came from sub-sectors (spirits, bakery and premium grocery) with a global reach.

Table 7.3: Number of IMS Regions Engaged With

IMS markets supported in	1	2	3	4	5	6	7	8	9	All (10)
Number of companies	4	5	12	7	3	5	1	1	1	2
%	10%	12%	29%	17%	7%	12%	2%	2%	2%	5%

Around two-thirds of companies (65%) first engaged with an IMS after being introduced by an SDI Trade Advisor, while 15% first met them at an event – see **Figure 7.4.** Only a small number said they had been introduced by an Account Manager or a trade/industry body.

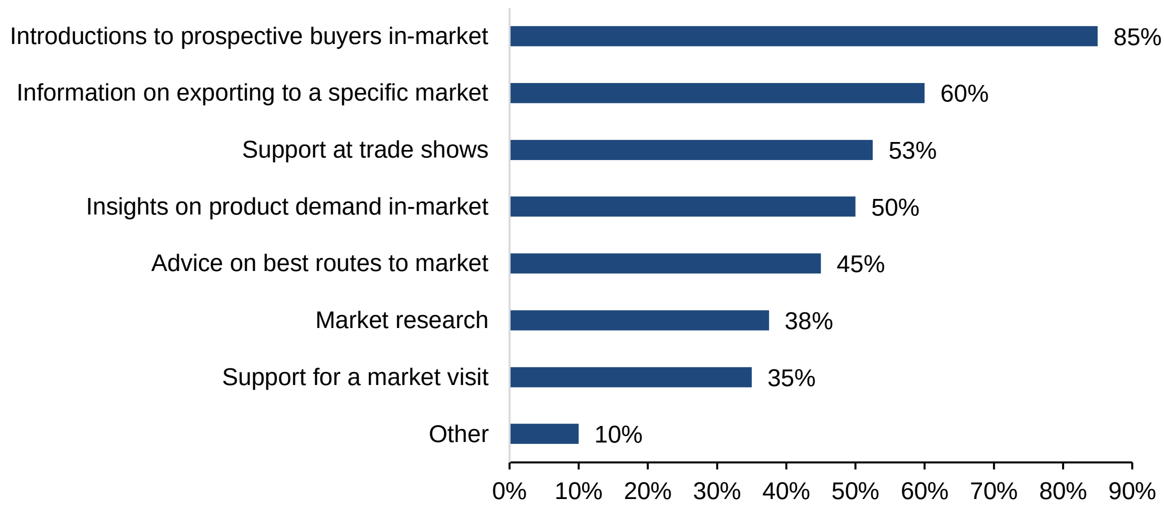
Figure 7.4: How did you first become involved with an IMS?



N=39

Companies have accessed a wide range of support from the IMS, with 85% introduced to prospective buyers and 60% provided with information on exporting to a specific market. The top three methods of support are the same as those identified in the evaluation of the 2014-19 Export Plan, albeit with a lower percentage seeking support to access trade shows (previously 73%). This likely reflects the lower number of events that have taken place over the period of this plan, with pandemic restrictions in place for much of it.

Figure 7.5: Support Accessed from IMS

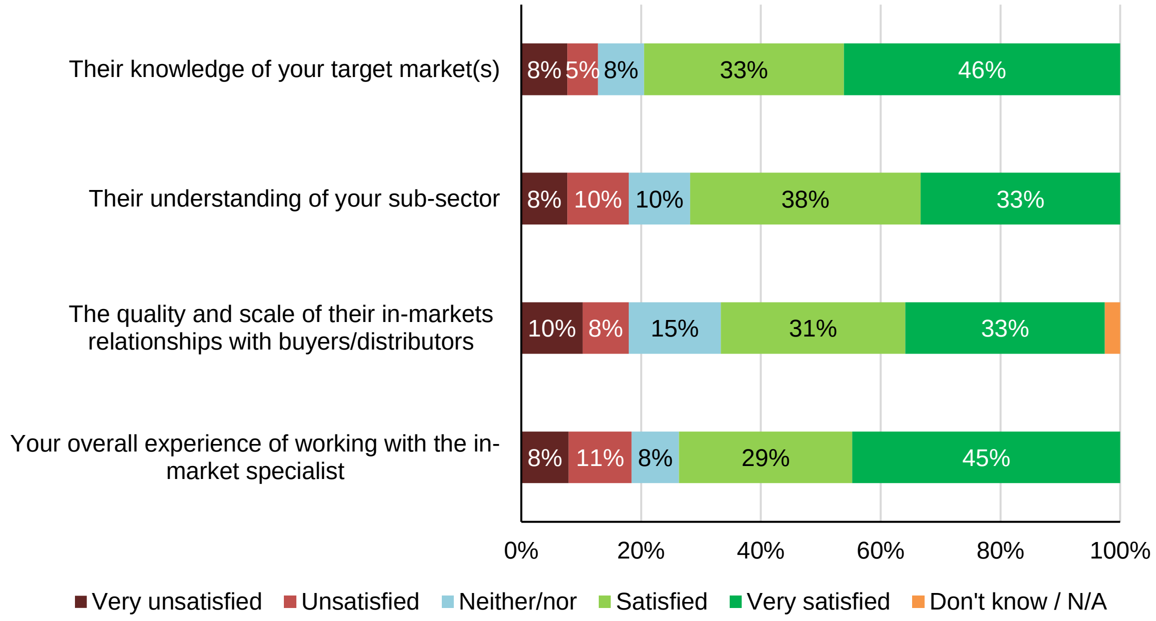


N=40

Satisfaction with Support

Companies were asked to rate different aspects of the support they have received from the IMS – see **Figure 7.6.** On the whole, responses were positive, with 74% satisfied or very satisfied with the overall experience of working with one or more IMS. The specialists' knowledge of target markets was particularly highly rated, with 79% satisfied or very satisfied.

Figure 7.6: Satisfaction with IMS Support



N=39

Respondents were asked to provide further details on the support they have accessed from the IMS. Their comments generally reflected the high levels of satisfaction set out above. A selection of comments are:

- *"The in-market specialists made introductions for us to key buyers in their respective markets, allowed us to showcase our products at various international trade shows, and helped us through our first physical trade show experience abroad at Gulfood."*
- *"A mix of activities including sending presentation to prospective buyer, research into suitable importers, research into the market."*
- *"A first point-of contact for all export enquiries, great at guiding us towards markets that are receptive to our products and in-market support from designated representative."*
- *"Facilitation and introduction to buyers, sense checking of credibility and solvency of potential distributors. Market trends and intelligence."*
- *"Introductions to potential small buyers within the USA and online in the Far East."*

It should be noted that some of those giving a low satisfaction rating still provided favourable comments about the support. Of two giving negative comments, one said that they had not received any follow-up, and another said that while they have had some introductions to buyers they have struggled to make much headway with them.

Benefits and Impacts

An important part of the evaluation is to identify whether companies have achieved additional economic impacts as a result of the support provided by the in-market specialists. In total, 28 companies identified at least one impact that had occurred or that they expect will be achieved over the next three years.

As shown in **Table 7.4**, 68% of respondents said that they had or expect to increase sales to a new export market, and 55% said that they had or expect to increase sales to an existing export market.

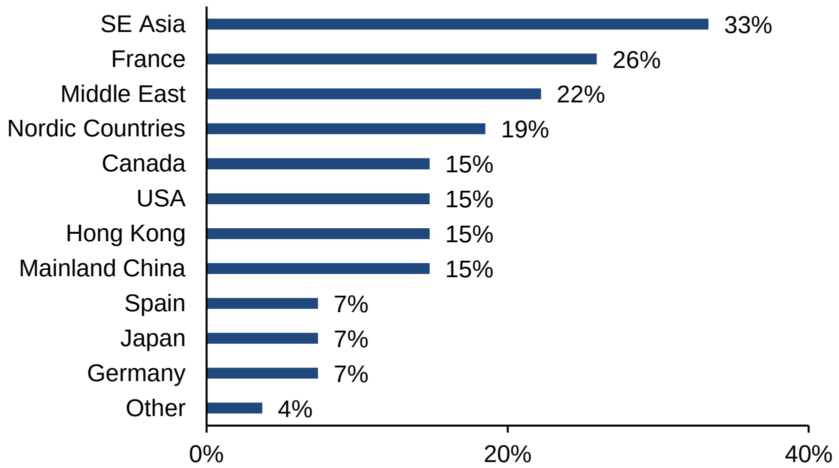
Table 7.4: Impact of the Support

	Achieved since 2019	Expected in the next 3 years	Too early to say
Increased sales to new export markets	29%	39%	29%
Increased sales to existing export markets	29%	26%	39%
Increased listings	26%	13%	39%
New products introduced	26%	26%	42%
Distribution agreements confirmed	23%	32%	39%

N=31

Companies which said they had entered new export markets as a result of the support were asked to specify where this was. The most common responses were South East Asia (33%), France (26%) and the Middle East (22%) – **Figure 7.7.**

Figure 7.7: New Markets Entered



N=27

Companies which reported that they had increased sales to new or existing markets since 2019, or expect to over the next three years, were asked to estimate the value of this.

- **Increased sales to new export markets:**
    - £1.2m to date from 13 companies. One outlier reported a much higher figure (£5m) but said this predated their engagement with SDI; and
    - £18.5m expected in the next three years, from 16 companies.

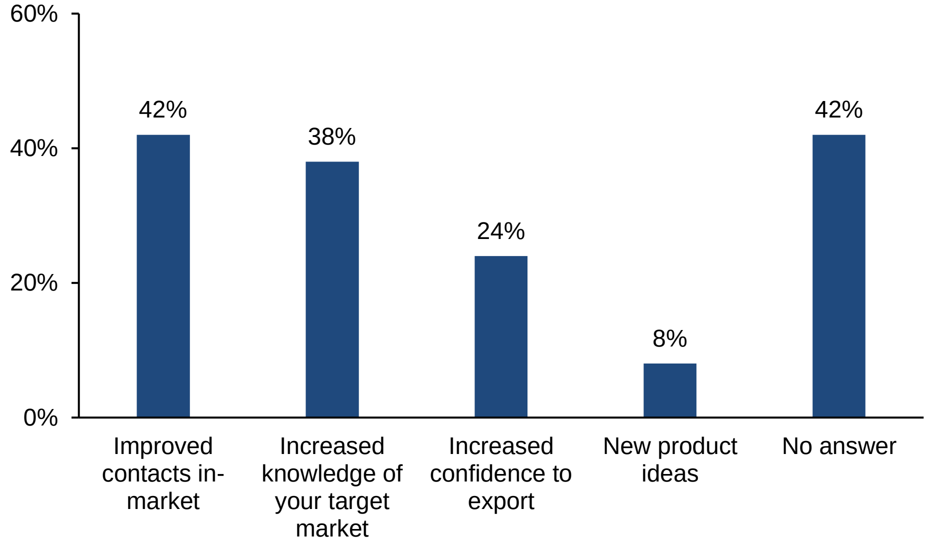
- **Increased sales to existing export markets:**
    - £2.1m to date from 6 companies; and
    - £7.1m to date from 12 companies.

Eleven companies said that they had taken on new staff as a result of increased export activity since 2019. Ten were able to quantify this, totalling 35.5 FTE new employees.

In order to support export sales, 23 companies said they had either altered an existing product or introduced a new one. This often involved changing packaging to meet the requirements of overseas markets. Several spirits producers said they have introduced new cask whiskies specifically for foreign distributors.

A range of other more qualitative benefit were also reported by respondents, with 58% identifying at least one. The most common response was improved in-market contacts (42%).

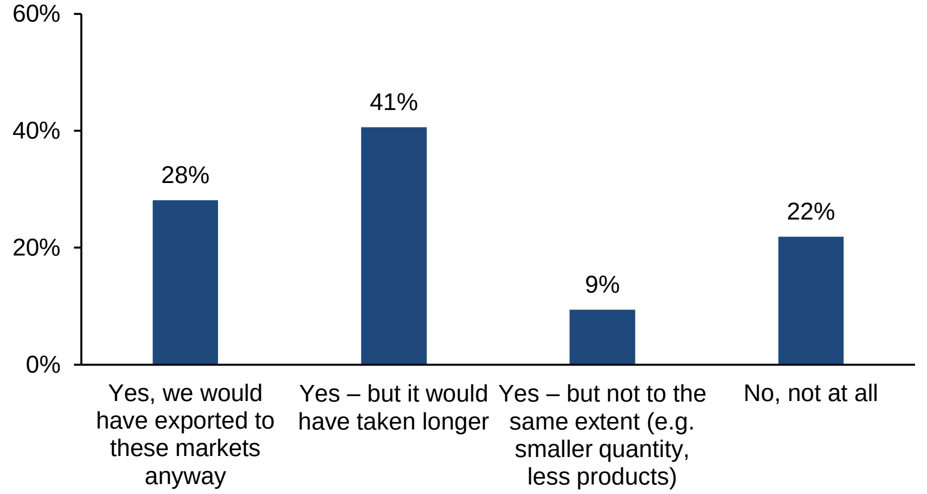
Figure 7.8: Other Impacts



N=50

Respondents were asked to what extent the above outcomes and benefits would have occurred in the absence of support from the IMS. As shown in **Figure 7.9** below**,** nearly three quarters (72%) of companies that had identified some benefits/impacts said that the IMS support had enabled these outcomes to occur earlier, to a greater extent, or at all.

Figure 7.9: Would these impacts have occurred in the absence of IMS support?



N=32

Those who said the impacts would not have occurred at all in the absence of support (22%) explained that they would not have met some or all of customers without IMS support:

- *"Without the support from in-market specialists we would have had far less access to the contacts we have been able to reach over the last 5+ years"*; and
- *"The introductions to new distributors have been invaluable and unique and very much appreciated."*

Those who said that the IMS support had sped up or increased the volume/quality of their exports (50%) provided further details. This included facilitating access to new customers and provision of specialist in-market advice and information. A selection of comments illustrating this are below:

- *"[The IMS] was fantastic in facilitating quality contacts for us and making introductions which would have taken us far longer to achieve alone."*;
- *"It's much easier if you have in-region support to assist with introductions to buyers and wholesalers. It's not rocket science. That's what we need – the connections and network and the insights to back up the commercial offering."*;
- *"The in-market specialists provide invaluable support… it is not possible to isolate them as being a single reason for success or failure. They go hand-in-hand with our other tools which we use to drive penetration and sales growth… we place great store by our relationship with the in-market specialists, all of whom are knowledgeable, enthusiastic and extremely professional - a delight to work with."*; and
- *"Our management team are experienced with export to multiple countries, but the assistance of the IMS team, especially with advice on events to work with, has been beneficial"*

Those who said that outcomes would have occurred in the same way without any support said that this was because they had identified and worked with customers within these markets independently of the IMS, or that the support they have had has not yet led to any tangible outcomes.

Strengths and Areas for Improvement

Respondents identified various key strengths of the IMS support. Particular highlights, alongside illustrative comments, included:

- provision of in-market contacts and networking – *"if our specialist does not know the answer they know someone who does."*;
- their knowledge of the market and expertise – *"They build confidence for everyone, and importantly it helps the least experienced individuals and businesses to take the leap of faith into export sales."*;
- someone to help carry out due diligence and validation of potential partners; and
- their responsiveness and interest – *"communication, ease of access to the In Market Teams, knowledge, time line for responses are quick."*

Weaknesses were identified as:

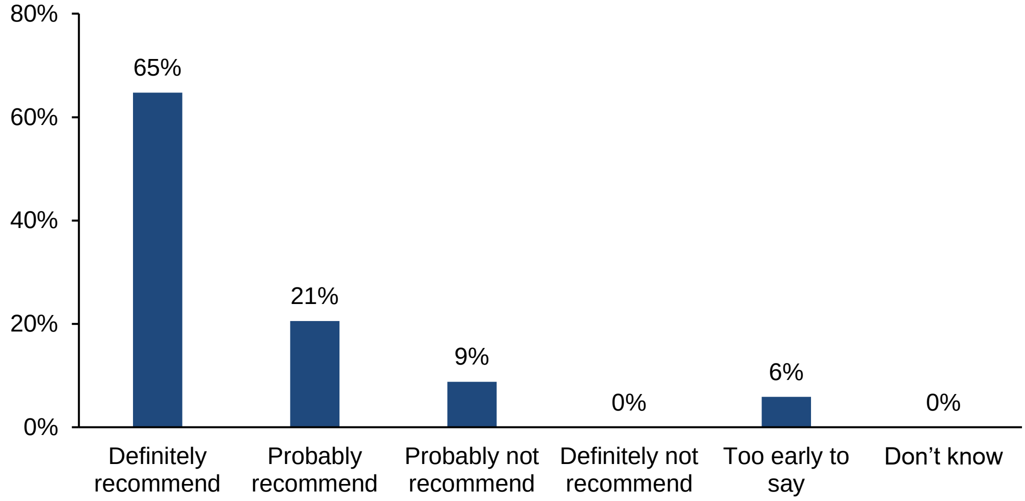
- lack of in-market commercial relationships or contacts not 'warm' enough – *"lack of network in certain markets";*
- loss of a key staff member or members;
- information provided was too generic; and
- lack of understanding of our business.

Respondents were also invited to provide suggestions for how the IMS role and services could be improved. Comments were mostly fairly general and included:

- more networking and opportunities/introductions to meet buyers;
- developing greater knowledge of our business before making introductions i.e. ensuring they are relevant – *"really understand who the business wants to target";*
- specific market insights e.g. store checking; and
- closer collaboration with other export bodies (e.g. DBT) – *"I often feel all are working towards the same goal (economic success of UK companies) yet don't talk to each other enough. So we might miss a chance to participate in a pavilion at a trade show, because we didn't hear from one or they overlap."*

Most companies said that they would definitely recommend (65%) or probably recommend (21%) IMS support to other Scottish food and drink companies – **Figure 7.10**. This is very positive and indicates that almost nine in ten of those who have engaged with the programme feel it has been worthwhile.

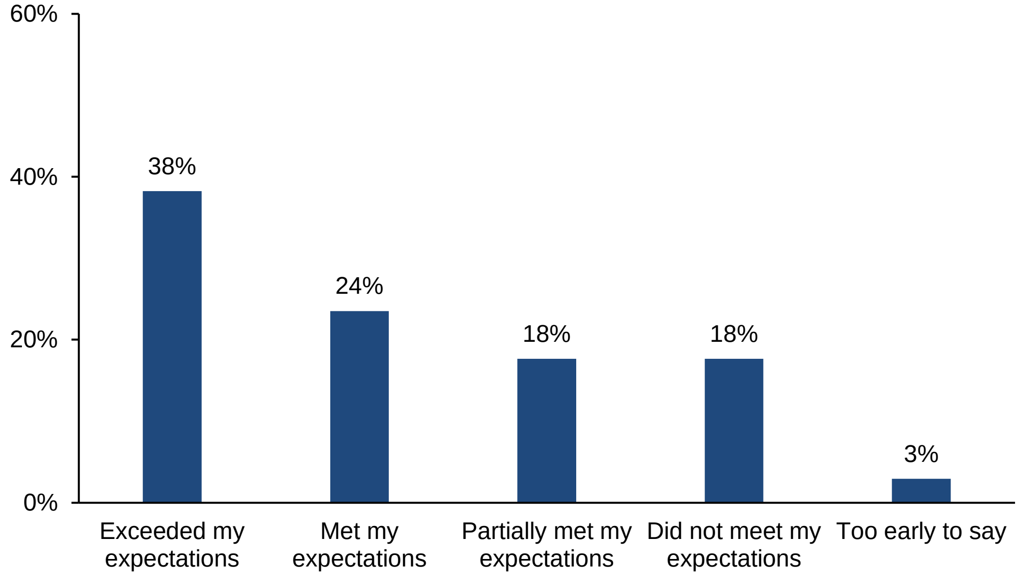
Figure 7.10: Would you recommend IMS support to other Scottish food and drink companies?



N=34

Overall, 62% of respondents said that IMS support had met (24%) or exceeded (38%) their expectations – **Figure 7.11.**

Figure 7.11: Would you recommend IMS support to other Scottish food and drink companies?



N=34

Respondents provided a range of final comments, with most choosing to expand on or reiterate points they had earlier. These were a mix of positive and negative. Several highlighted that they had found it difficult to provide general ratings or feedback as the support they have received has been mixed, taking in different individuals and priority markets (as covered, nearly all respondents engaged with more than one IMS/market).

8. In-Market Buyer Survey

An online survey was distributed by the in-market specialists to contacts they have made in-market who may have interacted with Scottish companies. It was focused on gathering feedback on the different that the IMS located in their market has made to their awareness of and interaction with Scottish food and drink producers.

The survey received a total of 64 responses.

Buyer Profile

The largest number of responses were from the Middle East (14), these being a mix of the UAE and Saudi Arabia – **Table 8.1.** This was followed by Germany, Italy, and Hong Kong (9 each).

Table 8.1: Respondents by Country

Sub-sector	Number	%
Middle East	14	23%
Germany	9	15%
Italy	9	15%
Hong Kong	9	15%
France	7	11%
Singapore	6	10%
USA	5	8%
China	1	2%
Japan	1	2%
Total	**61**	**100%**

Respondents represented a range of different types of buyer, with most identifying with more than one of the available categories – **Table 8.2.** The most common descriptors were importer (68%) and distributor (63%).

Table 8.2: Respondents by Type

Sub-sector	Number	%
Importer	41	68%
Distributor	38	63%
Retail Company	18	30%
Food Service Company	6	10%
Broker	3	5%
Consolidator	2	3%
Other	2	3%
Total	**60**	**100%**

Multiple responses possible.

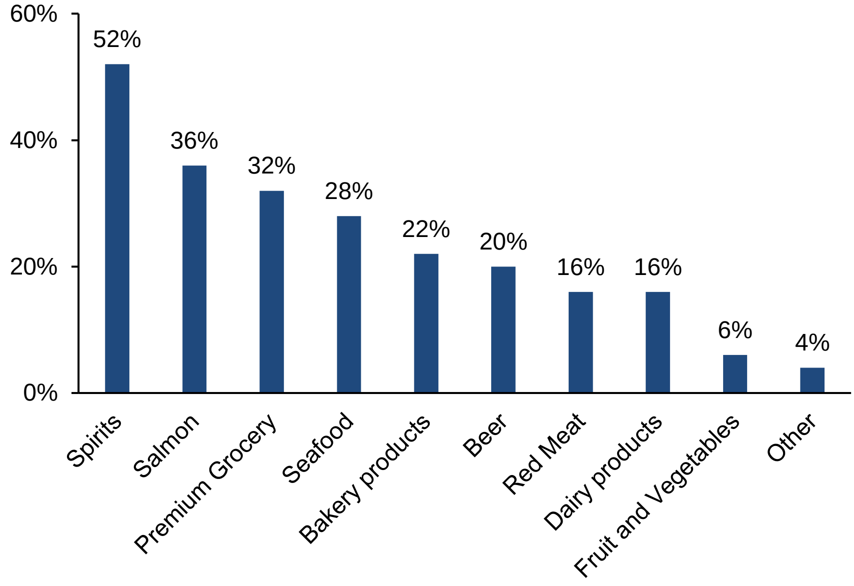
Those answering ‘other’ specified that they are a hotel chain and a food and drink business advisor.

Previous Experience of Scotland

Almost four in five companies (78%) answered that they had purchased Scottish food and drink products prior to their IMS engagement. The remainder (22%) had not previously imported Scottish products. The proportion that had previously imported from Scotland is slightly higher than the findings of the similar evaluation survey in 2018, which found that 67% had prior experience of this.

Among those who had previous experience of purchasing Scottish products, the most common type were spirits (52%) and salmon (36%).

Figure 8.1: Products Previously Purchased (by sub-sector)



N=50. Multiple responses possible.

Interaction with the In-Market Specialists

Buyers were asked to describe how they had interacted or worked with the IMS. Key responses were that they had:

- Sought introductions or referrals to Scottish companies and reviewed products;
- Attended events alongside the IMS; and
- Sought information on Scottish products and importing.

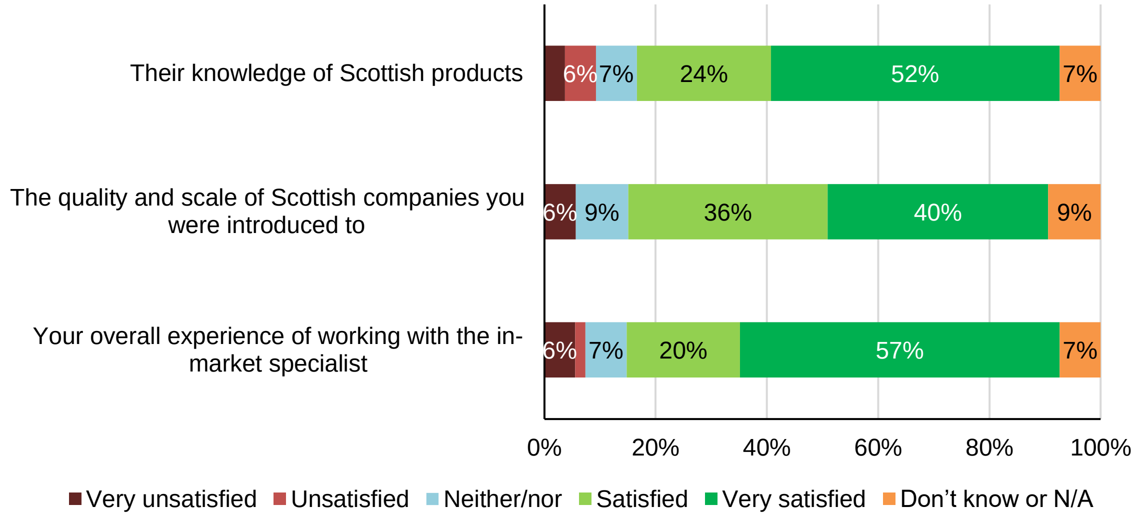
The level of interaction varied – some mentioned that they have had a longstanding relationship with the IMS and had frequently gone back to them for advice or information. Some buyers have had a more limited engagement, such as meeting the IMS at a trade show and exchanging details. It is clear that new business introductions is a key motivation for the buyers and they see the IMS role as an important enabler of this:

- *"We met [the IMS] at Wine Paris 2023 in February. Following this meeting, we had a meeting to understand our structures and our working methods so that they could suggest partners who would be consistent with our business and the philosophy of our company."*;
- *"Met [with the IMS] virtually through a co-worker and we set up regular calls. We established vendor criteria and [the IMS] worked with several manufactures that fit that. We then set up pitch slams and ultimately we awarded business with said suppliers."*; and
- *"[The IMS] helped us in a number of ways. He has introduced us to the right suppliers, organised tours to Scotland and shares useful information with us every time we meet."*

A few buyers mentioned that they have taken part in visits or tours to Scotland as part of their engagement with the IMS, with positive results. One, based in the USA, specifically mentioned that they sought support from the IMS around importing issues that arose as a consequence of Brexit.

Respondents were asked to rate their satisfaction with different elements of the IMS support. Each aspect scored highly, with 77% very satisfied or satisfied with the overall experience of working with the IMS, and 76% very satisfied or satisfied with their knowledge of Scottish products.

Figure 8.2: Satisfaction with IMS



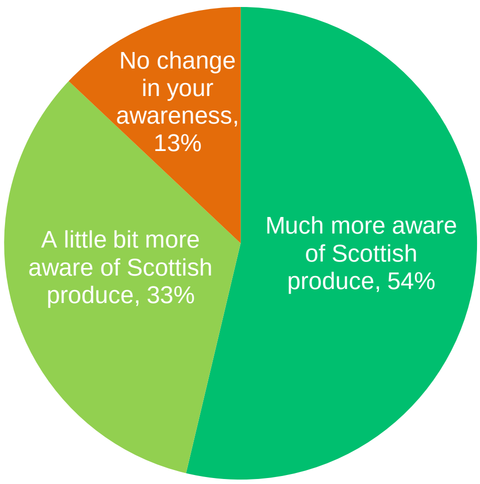
N=54

Benefits and Impacts

Buyers were asked about the impact the support from the in-market specialists had had on their awareness of and purchases from Scottish food and drink companies.

Most said that the interaction with the IMS had made them either a little bit or much more aware of Scottish produce (combined total of 87%).

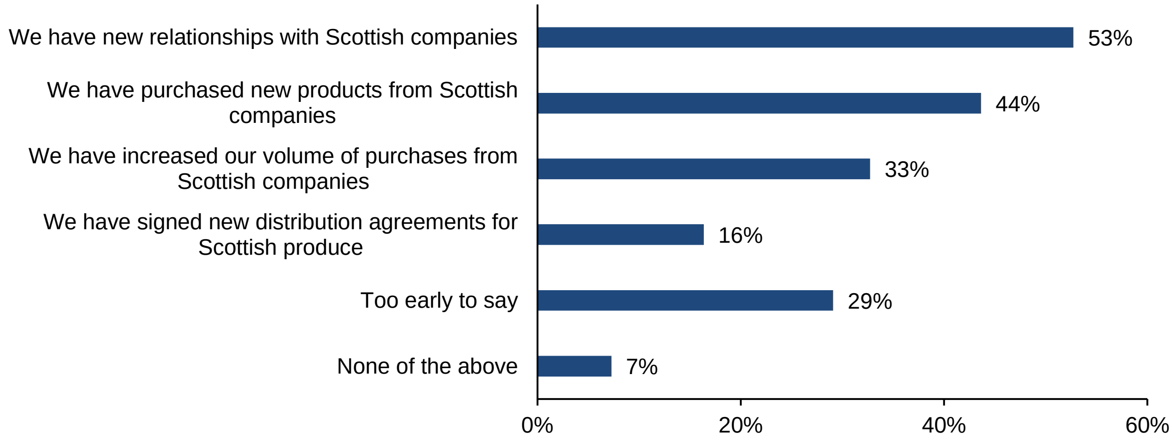
Figure 8.3: What impact has your interaction with the IMS had on your awareness of Scottish food and drink produce?



N=54

Just over half of responding buyers (53%) said that they have new relationships with Scottish companies as result of the IMS support, and 44% identified that they have purchased new products as a result of this.

Figure 8.4: Outcomes of the IMS Support



N=55

Buyers provided further details on these outcomes, with a range of comments reflecting their experience to date. Most provided further detail on the producers that they have been introduced to or got to know through the IMS support, and described the products that they are now selling in-market. A few said that they have not yet seen any tangible results, but still hope to work with Scottish companies in future. Two European buyers mentioned that challenges have arisen since Brexit. One buyer, based in the UAE, said they have been surprised at the "unrealistic expectations" of potential exporters to the region, and that suppliers are "often ill-informed" when it comes to import legislation.

Buyers were asked, if possible, to estimate the value of new purchases from Scottish companies that they had made as a result of support from the IMS. While some struggled to do so, 20 companies provided an estimated figure, totalling £5.9m. These ranged in value from a few thousand pounds to imports of £1.6m – **Table 8.3.**

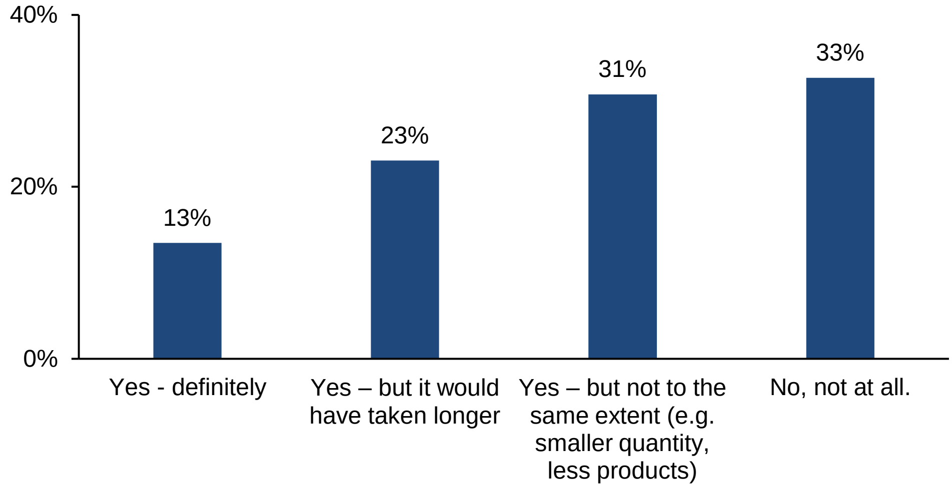
Table 8.3: Outcomes of the IMS Support

Country	Respondents	Value	Est. GBP
Germany	8	3,420,000 EUR	£2,930,000
France	3	400,000 EUR	£343,000
Italy	3	190,000 EUR	£163,000
Hong Kong	2	380000 HKD	£38,000
UAE	2	250,000 AED	£53,000
USA	1	1,000,000 USD	£785,000
Singapore	2	10,000 SGD	£5,800
Japan	1	300,000,000 JPY	£1,600,000
Total	**20**	**-**	**£5,917,800**

Exchange rates as of 16/8/2023

Buyers were asked to what extent the above outcomes and benefits would have occurred in the absence of support from the IMS. This helps assess the additional value of the posts, which is helpful in appraising their impact. As shown in **Figure 8.5,** only 13% of buyers said that the impacts would have occurred in exactly the same way. One third of respondents (33%) said that, without the support, none of the impacts would have occurred at all. The remainder identified that the impact would have taken longer to achieve or not occurred to the same extent. A selection of comments have been included below, which help illustrate the value that the IMS bring to in-market buyers seeking to purchase Scottish products.

Figure 8.5: Would these outcomes have occurred in the absence of IMS support?



N=52

Those who said the impacts would not have occurred at all in the absence of support explained that they would not have known where to source Scottish products from, or would not have met the specific producers that they now import from:

- *"The team was not aware of the product line or brand prior to discussing with the F&D representative* [i.e. the IMS]*"*;
- *"SDI is always helpful to do the initial introduction i.e. to open the door for future negotiations. These doors would have kept closed without SDI."*; and
- *"We don't have any other contact in Scotland."*

Buyers who said that their relationships with and purchases from Scottish companies had been sped up or increased as a result of the support provided further detail on the value added by the IMS. This included exposure to new suppliers that they may have taken longer to find and access to IMS' knowledge of Scottish producers that matched their needs:

- *"We are in contact with countries near Scotland so we probably would have come in contact with some Scottish companies but it would have taken longer to understand the quality, the line of work, where to go to choose a company to work with. The SDI help had been very important for us."*;
- *"We are specialist of spirits and we know well the Scotch whisky market. We know the actors but we miss someone to do the link for a first exchange."*;
- *"In our daily business sometimes it is not enough time to scan the whole market, so it is very important to know people who have certain knowledge and can help...this improves the process a lot."*; and
- *"Of course we have some of our own contacts with Scottish companies, but the F&D representative has far more options and information."*

Among the small numbers who thought things would have proceeded in much the same way regardless of the support, individual comments included that they have a buying office located in the UK that can make connections, and that their relationship with a Scottish company they have made purchases from predated the IMS support.

Strengths and Areas for Improvement

For buyers, the most successful elements of the IMS support were highlighted as:

- the links they have been able to make with Scottish suppliers – *“connecting companies is the key support, because the first exchange is more simple after that.”*, *“quality of the company the SDI has contact with”*;
- invitations to events, both in-market and in Scotland – *“Dubai reception where many products were on display and available for trial.”*; and
- the IMS’ understanding of buyer business needs, Scottish products, and the market they are in – *“the deep knowledge of both markets”*, *“their knowledge of Scottish products and suppliers.”*

Some buyers made suggestions for how the IMS support and services could be improved. Most suggestions were for increased activity within their market, such as attendance at more trade fairs and food shows or more promotional activity. A few said they would like to develop a closer relationship with the IMS in their market, indicating they see the value of the support but perhaps have not fully engaged yet. A few also said they are grateful for the support they have received and would like it to continue.

9. Conclusions and Recommendations

This final chapter briefly sets out the main findings of the report and provides partners with recommendations for future consideration.

Value of the Support

The evaluation research has shown that the IMS support continues to make a difference for Scottish companies, with a strong level of satisfaction and additional value from company engagement with the IMS. This has been backed up by qualitative evidence from the trade body partners, the IMS themselves, and other SDI staff. More than 400 Scottish companies have directly engaged with the IMS since 2019, with most seeking support in more than one priority market and on multiple occasions.

The value that companies see in the support is clearly reflected in the survey findings, with 74% satisfied/very satisfied with the experience of working with the IMS, and 86% reporting that they would definitely or probably recommend working with an IMS to another Scottish producer. Crucially, nearly three quarters of supported companies (72%) felt that they would not have been able to achieve the same results in the absence of IMS support. The IMS, as well as the wider activities supported by the partnership such as coordination around trade events and intelligence sharing, continue to form an important part of the overall trade support package available for Scottish food and drink producers.

Feedback from in-market buyers was also positive, with almost nine in ten buyers saying that they increased their awareness of Scottish produce thanks to their interaction with the IMS. Only a small proportion (13%) of buyers said that they would have achieved the same outcomes without IMS involvement, indicating the added value of their support.

This aligns with the findings of a recent evaluation of international trade support commissioned by SDI[2], which identified that 'access to market know-how/in-market expertise' and an 'on the ground presence' are key success factors for increasing international trade.

Improvements and Learning

While there is broad agreement among stakeholders on the need for a third phase of the Export Plan and associated funding to deliver it, and for the IMS to continue to be a core element of this, a few elements were consistently highlighted that can be strengthened and improved upon:

- A greater level of transparency on Export Partnership planning and activities, with more of an activity plan and accountability on tasks and responsibilities among partners. This will help reduce any duplication of effort and avoid organisations 'competing' for the same budget.
- Aim to deliver more consistency and certainty about the IMS offer in each geography – while there is inevitably a lot of resting on individual skills and experience, attempt to find ways to ease the transition between departing and incoming staff members, providing a more seamless experience for companies and trade bodies.
- Continue to improve intelligence sharing and communications on supply and demand, ensuring that opportunities can be matched with producer capacity and buyer expectations can be managed by the IMS.
- Communicate export success stories and how this relates to the IMS presence and the Export Plan.
- Consider continuing the availability of discretionary funding for IMS promotional activities in-market, provided this contributes (and does not distract from) their core activity of developing commercial relationships for Scottish suppliers.

[2] Frontline Economics for SDI/SE, International Trade Support Research and Evaluation: Final Report (August 2022)

- Agree which markets should be prioritised over the course of the next Export Plan and what the offer should be in other markets (e.g. GlobalScots, signposting to UK support where available).
- Continue activities focused on improving the export readiness of Scottish companies.
- Consider inviting SWA to formally join the Export Board due to the increasing support the IMS are providing the growing number of distilleries across all markets.