Scottish Enterprise
Appraisal and Evaluation Team

Review of Textiles Engagement

April 2014

Scottish Enterprise
Atrium Court
50 Waterloo Street
Glasgow
G2 6HQ

0141 228 2700

Review of Textiles Engagement – Improving Customer Intimacy
April 2014 (Public Document)

(Company names & comments and Event names are not specified in the public document)

Contents

Review of Textiles Engagement – Improving Customer Intimacy

Executive Summary

This review examines one of the key themes 'Improving Customer Intimacy' of Scottish Enterprise's support programme for the textile industry 2010/11 – 2013/14.

The key activities in this theme have involved Scottish Enterprise (SE) and Scottish Development International (SDI) organising or hosting over 40 separate events/meetings or visits with key buyers, retailers or press for the Scottish textile industry from 2010 to 2013. This has engaged 73 companies of which 26 were account managed

22 events were chosen for this review (listed in Appendix 2 – Events not identified in public document), chosen by selecting events across all geographies (e.g. Russia, USA, China) and sub-sectors (e.g. interiors, fashion) where there were more than four companies participating. The companies involved in these events (40) made up the cohort of companies included in the survey.

The review comprised:

- A survey of 40 companies involved in the selected events to understand: the resulting benefits they achieved from the events; their views on the events; and their suggestions for events for the future. Appendix 3 sets out the survey questions;
- Consultations with the account managers of these companies;
- Analysis of monitoring data.

Overall spend on Textiles over the past 3 years is estimated to be £663k, broken down as SDI spend (£390k) and SE Textiles Team Spend (£273k). This allowed 73 companies to have 318 opportunites to meet buyers. This equates to 4.4 opportunites per company with a spend per opportunity of £2,085. 8 companies with an average turnover of £10m per annum per company (the largest companies) are participating in the greatest number of events with an average of 14.8 opportunities per company.

Summary Key Conclusions

- Companies are generally happy with the events they attended with their objectives to increase sales and make contacts being achieved.

- Most of the companies achieved additional sales at the events, although, in some cases the level of sales were not as high as some companies would have preferred. However, it should be remembered that these sales came from the events only and whilst these may be limited and less than companies would prefer, the greatest value and real potential for the future may lie in the contacts made and how these can be exploited to achieve further sales in the coming years.

- The majority of companies were able to make new contacts through the events and this allows them to build an ongoing relationship with buyers over the longer term.

- For small companies the costs of attending events can be high; an issue if the resulting sales and contacts are not sufficient enough to warrant the extra outlay to attend an event.

- The majority of companies considered the events provided them with the opportunity to access sales and contacts that would not have been otherwise available. The events therefore achieve high additionality.

- 8 companies with an average turnover per company of £10m per annum participated in the greatest number of events with an average of 14.8 per company. This is followed by account managed companies with 6.9 events per company.

- Company selection for these events raised some issues from respondents in both the company survey and survey of account managers. Issues included one company not having the capacity to fulfil orders they acquired; companies not making the most of the opportunites on offer; and larger comanies receiving the greatest number of opportunites.

- As well as being valuable for their own company, respondent companies also considered the events to be valuable for the Scottish Textiles Industry as they provided opportunities for awareness-raising of the whole industry in Scotland for buyers/potential customers, allowing them to view the operation and gain an understanding of the process and quality. It was considered that the ability to have this would not be available to the industry without SE support.

- The majority of Account Managers consulted had some awareness of the events and considered them to be valuable for the companies they account manage and for the Textiles industry in Scotland. However, they did report a lack of direct communication and consultation with them about them.

- 3 Account Managers were able to identify other support that their companies had received as a result of participating in events; however, the others were not aware of any resulting support.

- The overall majority of companies are planning to grow both Contract manufacturing and Own Label manufacturing.

- The overall majority of the respondents indicated that they would be willing to participate in future events. Generally they were happy with the current format of events.

Summary Recommendations

The events are considered by most respondents to be, on the whole, fit for purpose. The following recommendations are made to address any substantive issues that may have been emerged.

- There could be the opportunity for greater involvement of Account Managers both before and after the event in relation to any account managed companies involved. One suggestion could be to involve the account managers as part of the selection process described in A3 by including them as one of the groups to be contacted to nominate appropriate companies and involving them in the selection process.

- Given that non-account managed companies form the majority (47%) of companies involved in these events, a follow-up process with them should also be undertaken in order to also help them exploit the contacts they have made.

- A couple of issues emerged around the companies that were selected for the events in that (i) one did not have the capacity to fulfil the orders they received as a result of participating at an event; (ii) another made comments on the preparedness of some companies to make the most of the opportunities offered by the events to increase their sales and contact; and (iii) the largest companies tend to have a greater number of opportunities to attend events with 8 companies with an average turnover of £10m per annum having an average of 14.8 opportunities to meet buyers against an average of 4.9 opportunities for all companies. It is suggested, therefore, that:

  - Consideration is given to increasing the support given to companies prior to the events to ensure they have the necessary networking, selling and negotiating skills that will allow them to maximise the opportunities the events provide. There could be the opportunity for Account Managers to support the companies with this.
  - Closer examination of companies prior to being selected to attend events to ensure they have the capacity to fulfil any orders they may receive. Again, there could be the opportunity for Account Managers to be more closely involved in this.
  - Whilst there are benefits to the Scottish Textiles industry in having larger, established textiles companies participating in the events, in that they are a recognised and trusted brand for overseas buyers and the cost per company is lower, the opportunity to involve smaller companies in a greater number of events could support these companies to become more proficient at exporting. Consideration could be given to providing these companies with additional support e.g. introduce level of support based on ability to pay or company size.

Review of Textiles Engagement – Improving Customer Intimacy

1. Introduction

Scottish Enterprise Appraisal and Evaluation Team have undertaken this review to examine one of the key themes 'Improving Customer Intimacy' of Scottish Enterprise's support programme for the textile industry 2010/11 – 2013/14. The review sets out to determine the value of this work for the companies involved and considers the benefits for the businesses involved, captures learning to date and makes recommendations on the future operation of the programme in the light of experience.

2. Background

The Scottish textile industry encompasses both the 'technical' sector with end markets such as medical, transportation and environmental applications and the 'fashion' sectors in weaving, knitwear and apparel. Across all sub-sectors, the industry operates in a global marketplace where increasing competitiveness, upskilling the workforce, investment in innovation and a supportive trading environment are key success factors.

The Scottish Enterprise textile industry support programme for 2010/11 – 2013/14 reflected an overarching theme of: Creating, Winning and Retaining Customers. The customer focused initiatives to be delivered augmented individual company activity through the Account Management interventions and the combined effort to increase profile and opportunities for the wider industry. The SE Textiles team worked towards increasing understanding of the importance of customer-focused activity across the spectrum from start-up companies, growth pipeline, account managed and non-DRM businesses. Five sub-themes were identified to drive home the customer-focused approach:

Key themes:

a. Maximising Markets – encouraging diversification, identifying and appraising opportunities in new and existing markets
b. **Improving Customer Intimacy – improving the quality of relationships between buyers and manufacturers to achieve competitive advantage**
c. Value Through Innovation – innovation in process, product and collaboration; knowledge exchange and advanced manufacturing capability
d. Improving Industry profile – creating a viable, sustainable brand for the industry which will enhance Scotland's reputation
e. Strategic Industry Development - strengthening the overall business environment through increased and improved industry intelligence.

This review examines theme (b) Improving Customer Intimacy.

The key activities in this theme have involved Scottish Enterprise (SE) and Scottish Development International (SDI) organising or hosting over 40 separate events/meetings or visits with key buyers, retailers or press for the Scottish textile industry from 2010 to 2013. This has engaged 73 companies of which 26 were account managed. **Appendix 1 – sets out these events (Events not identified in published report).**

22 events were chosen for this review – these are listed in Appendix 2 (events not identified in published report). These events were chosen by selecting events across all geographies (e.g. Russia, USA, China) and sub-sectors (e.g. interiors, fashion) where there were more than four companies participating. The companies involved in these events (40) made up the cohort of companies included in the survey.

Events that had fewer than four companies attending events were not included in this review.

3. Review Methodology

This review comprised:

- A survey of 40 companies involved in the selected events to understand: the resulting benefits they achieved from the events; their views on the events; and their suggestions for events for the future. Appendix 3 sets out the survey questions;
- Consultations with the account managers of these companies;
- Analysis of monitoring data.

4. Improving Customer Intimacy – Spend Analysis

4a. Spend and Activities

Scottish Enterprise spend on activities is broken down between SDI (overseas spend) and SE Textiles team (domestic spend):-

- SDI spend covers support for companies travelling overseas in the form of a travel grant plus hotel grant. This varies from country to country e.g. for travel to the east of the USA the travel grant is £500 and hotel grant is £120; for the east of Russia the Travel Grant is £500 and the hotel grant is £100.

- The SE Textiles team spend covers UK activity e.g. research & marketing, trips by overseas buyers to Scotland (this can, on occasion, also attract SDI spend as these buyers can also be considered to be overseas customers).

Overall spend on Textiles over the past 3 years is estimated to be £663k. This is broken down on Table 1:

Table 1: SE and SDI spend on Scottish Textiles Industry 2010/2012

Budget Area	Spend (£)
SE Textiles (as per KMIS)	273,000
SDI Textiles (as per KMIS)	118,000
Total	391,000
Plus (Portion of Spend in SDI Activity estimated to related to Textiles)[1]	272,000
Grand Total	**663,000**

Table 2 shows the breakdown of spend between SE and SDI. This shows that SDI spend accounts for 59% of the total spend and spend by the SE Textiles Team is 41%.

Table 2 – Spend Breakdown by SE and SDI

	Total Spend	%
SE Spend (Textiles Team)	273,000	41%
SDI Spend	390,000	59%
	663,000	**100%**

[1] SDI activity budget code relates to all SDI activity and is not broken down into individual elements. The amount of £272k has been estimated after analysis by the SE Textiles Team.

4b. Activity Breakdown by Company Characteristics

40 events were delivered by SE/SDI. Not all events were attended by the same companies and not all companies attended all events, however, overall 318 opportunities for companies to meet buyers have been achieved through these events. This has has resulted in an average spend per company of £9,082 or an average spend per opportunity of £2,085.

In order to understand the characteristics of the companies attending these events, Table 3 breaks down the events and opportunities (defined at opportunites to meet buyers) into four cohorts of companies. These are:

(i) Total companies attending events [73 companies]. 318 opportunities to meet buyers resulted in an average of 4.4 opportunities per company. Spend per opportunity was £2,085.

(ii) Account Managed companies attending events [26 companies]. 179 opportunies to meet buyers resulted in an average of 6.9 opportunities per company. Spend per opportunity was £1,319.

(iii) Non-Account Managed companies attending events [47 companies]. 139 opportunities to meet buyers resulted in an average of 3 opportunities per company. Spend per opportunity was £3,071.

(iv) Those companies that attended the greatest number of events. [8 companies of which 5 were account managed]. 118 opportunities to meet buyers resulted in an average of 14.8 opportunities per company. Spend per opportunity was £616.

Turnover shown in this table reflects total turnover for the companies in each cohort, except the non-account managed companies, for which turnover data is available. It is not attributed to this project or indeed to SE or SDI but rather provides an indication of the performance and size of companies included in the cohort.

Overall the table shows that 8 companies with an average turnover per annum of £10m per company (this is the cohort with the largest companies) are participating in the greatest number of events with an average of 14.8 opportunities per company. This also results in the lowest (£616) cost per opportunity (few companies with greater opportunites result in a lower cost per opportunity). The overall average of event attendance for all companies is 4.4 opportunities. Other findings include:

- AM companies account for 36% (26 companies) of the companies and 50% of the opportunities. Whereas Non-AM companies account for 64% (47 companies) of the companies and 44% of the opportunities.
- The largest companies go to most events. Is this because they can afford to pay?
- With non-AM companies accounting for the most companies involved in the events but fewer opportunities, is cost an issue for these companies?
- 8 companies with the greatest number of opportunities have the lowest cost per opportunity (£616), whereas, non-AM companies with more companies and fewer opportunities has the highest cost per opportunity (£3,071).

Table 3: Breakdown of Activities and Outputs by Company Characteristics

	Cohort Breakdown							
	(i) **Total of Companies Attending Events**	*Average Spend per company*	*(ii) of which* **Account Managed Companies**	*AM as % of all Companies*	*(iii)of which* **Non-Aaccount Managed Companies**	*Non-AM as % of all Companies*	*(iv) of which* **Cos with Greatest Activity (5 AM Cos)**	*Greatest Act. as % of all Companies*
No of Events *(note 1)*	**40**		**40**		**40**		**40**	
No of Companies Participating at Events *(note 2)*	73		26	*36%*	47	*64%*	8	*11%*
Resulting Total Number of Opportunities to meet Buyers *(note 3)*	318		179	*56%*	139	*44%*	118	*37%*
Average Opportunity Per Company	4.4		6.9		3.0		14.8	
Total SE Spend *(as per Table 1)*	£273,000	*£3,740*	£97,233	*36%*	£175,767	*64%*	£29,918	*11%*
Total SDI Spend *(as per Table 1)*	£390,000	*£5,342*	£138,904	*36%*	£251,096	*64%*	£42,740	*11%*
Total Spend *(as per Table 1)*	£663,000	*£9,082*	£236,137	*36%*	£426,863	*64%*	£72,658	*11%*
Total Spend Per Opportunity	£2,085		£1,319		£3,071		£616	

Turnover data below is used to provide an indication of the size of companies involved in the events:

Total Company Turnover (Years 2010/11 - 2013/14) *(note 4)*	£288,442,498	*Based on 15 Cos reporting turnover*	£258,023,475	*Based on 12 Cos reporting turnover*	Not available	*Not available*	£164,462,278	*Based 4 Cos reporting turnover*
Average Turnover per Company per Annum (2010/11 – 2013/14)	£4.8m		£5.3m		n/a		£10.2m	

Notes:

1. No of Events – These are the number of events provided by SE and SDI
2. No of Companies Participating at Events: These are the total number of companies partcipating at events in each of the cohorts
3. No of Opportunities to meet Buyers: This is the total of all the companies attending all of the events in each of the cohorts
4. Turnover – A per annum average based on the number of companies within each cohort the have reported turnover over the period of the review.

5. Consultation Findings

(A) Company Survey

40 Companies were invited to take part in an e-mail survey. There were 19 responses which equates to a 48% response rate.

A1. Textiles Sub-sectors

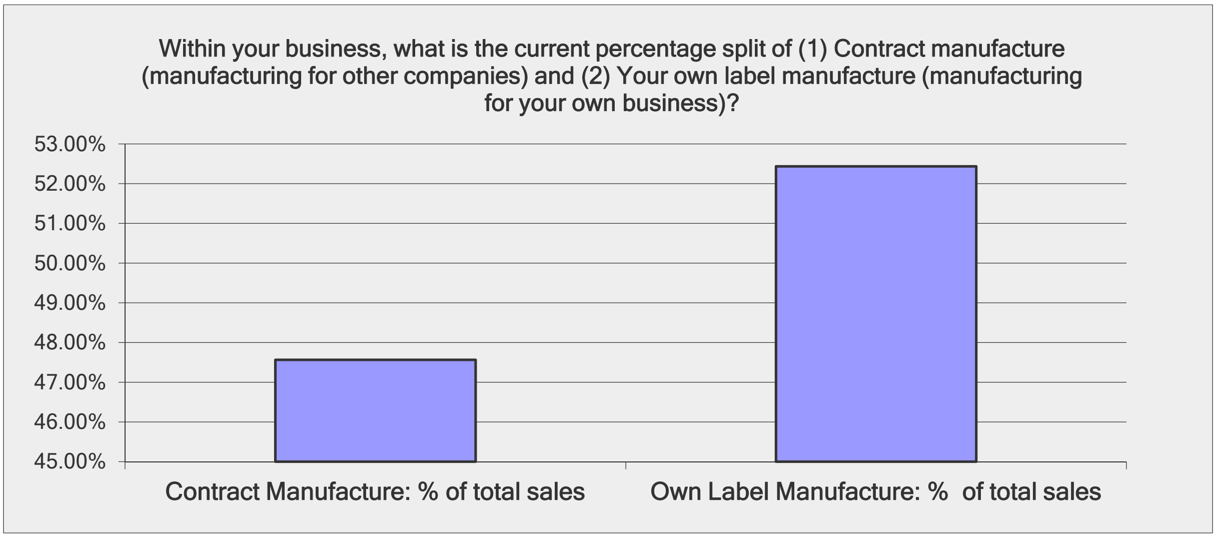
In terms of sub-sectors within the Scottish Textiles Industry, Chart 4 shows that of the companies' surveyed 41% work in Fashion and 18% work in Interiors. 41% work in both sub-sectors

Chart 4: Scottish Textiles – Sub-sectors

A2. Breakdown of Contract and Own Label Manufacture

Chart 5 shows the breakdown of Contract and Own Label manufacture the companies carry out. It shows a higher proportion (52%) of Own Label manufacture carried out within the companies.

Chart 5: Breakdown of Contract and Own Label Manufacture



(n:16)

A3. Events

Scottish Companies are invited to participate in the events organised and hosted by SE and SDI. This provides these participants with opportunities to meet key buyers, retailers or press in domestic and overseas markets, in order to promote their company and their companies' products.

Companies are selected for events by the SE Textiles team and SDI. Expressions of interest are sought via an e-bulletin, through contact with the Scottish Textiles and Leather Association (STLA) and by emailing directly over 500 company contacts. If it is an SE project, companies are asked to complete an application form (Copy in Appendix 4) and these are evaluated. If it is an SDI project it is a first come first served basis.

The events examined in this review involve buyers from the UK; Asia; Russia and the USA. The survey results for each of these are set out below. It should be noted that companies may have attended more the one event.

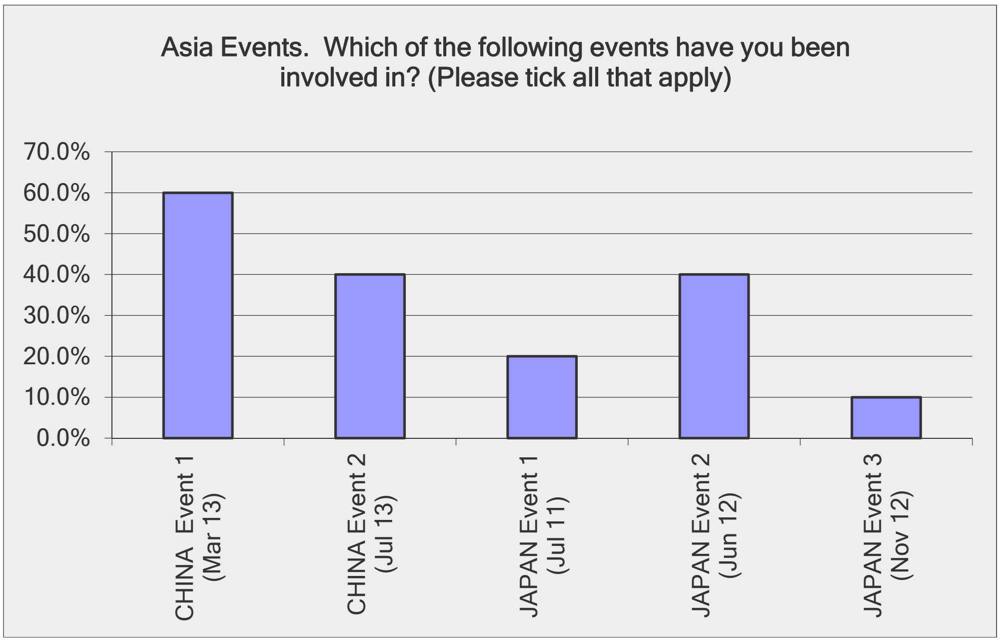
A3 (a). UK Events

One UK event was included in the survey. 4 companies participated in this event.

A3 (b). Asia Events

10 companies took part in 6 events in Asia. Chart 6 shows the breakdown.

Chart 6 – Asia Events

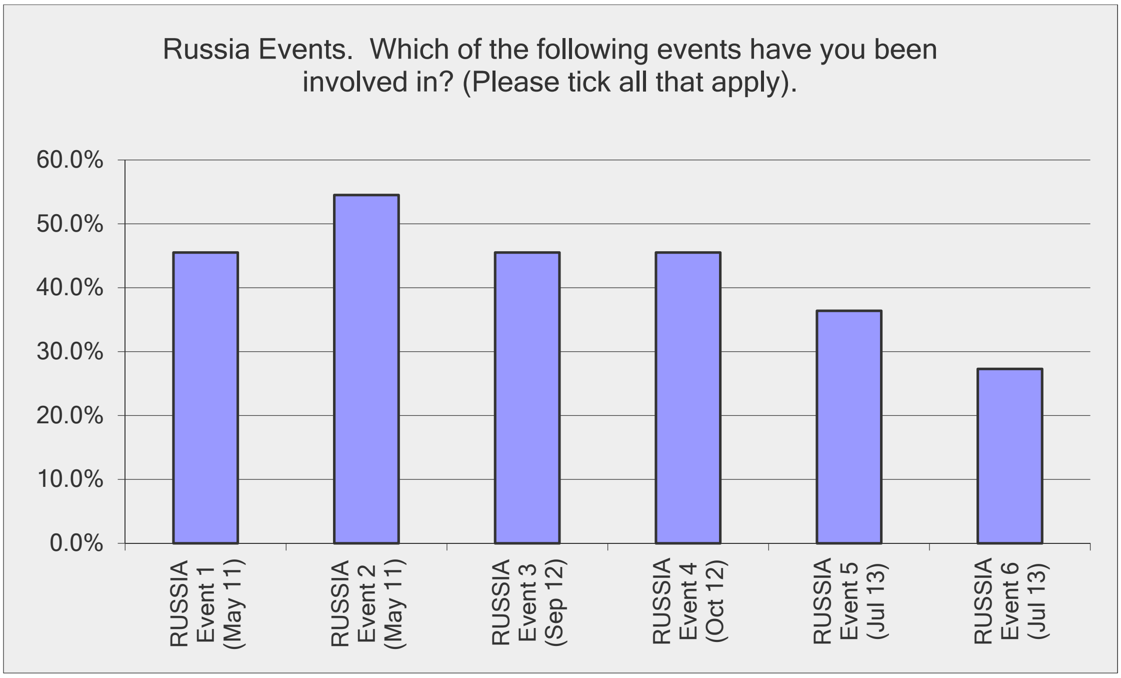


(n:10)

A3 (c). Russia Events

11 Companies took part in 6 events in Russia. Chart 7 shows that there was a high attendance from respondents at most of the Russia events.

Chart 7: Russia Events

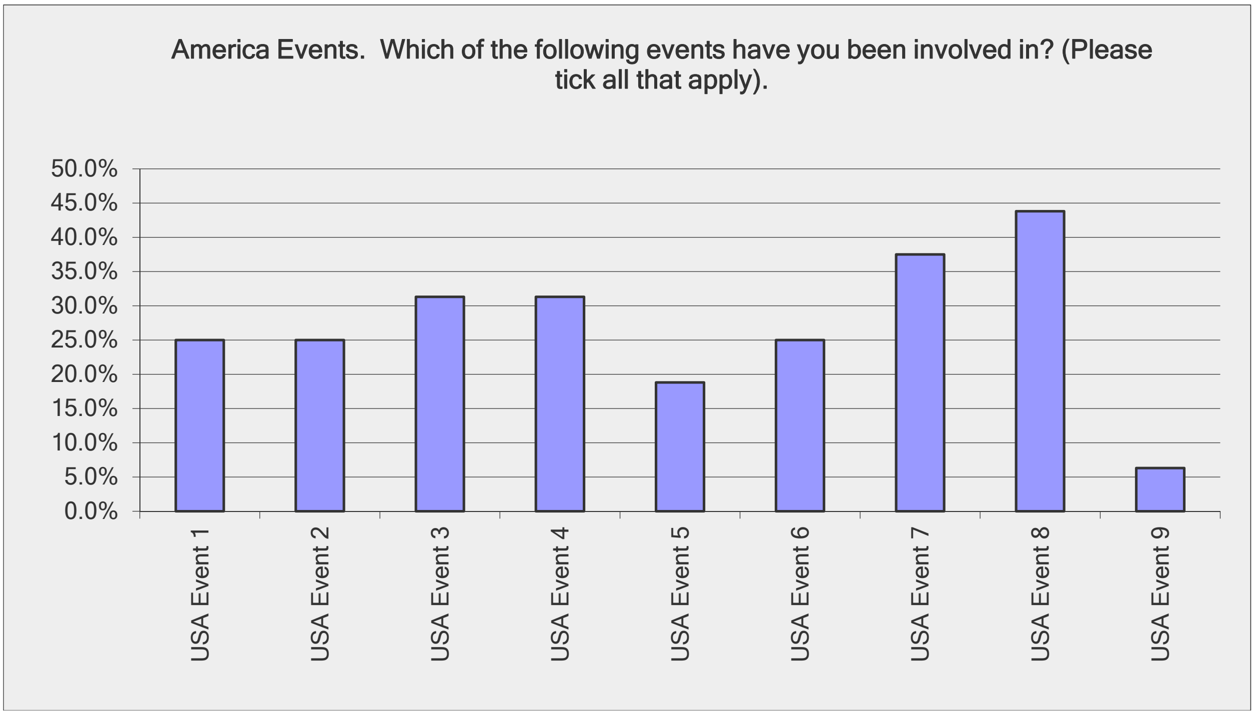


(n: 11)

A3 (d). USA Events

16 companies took part in 9 USA events. Chart 8 shows the breakdown of attendees at events.

Chart 8: USA Events

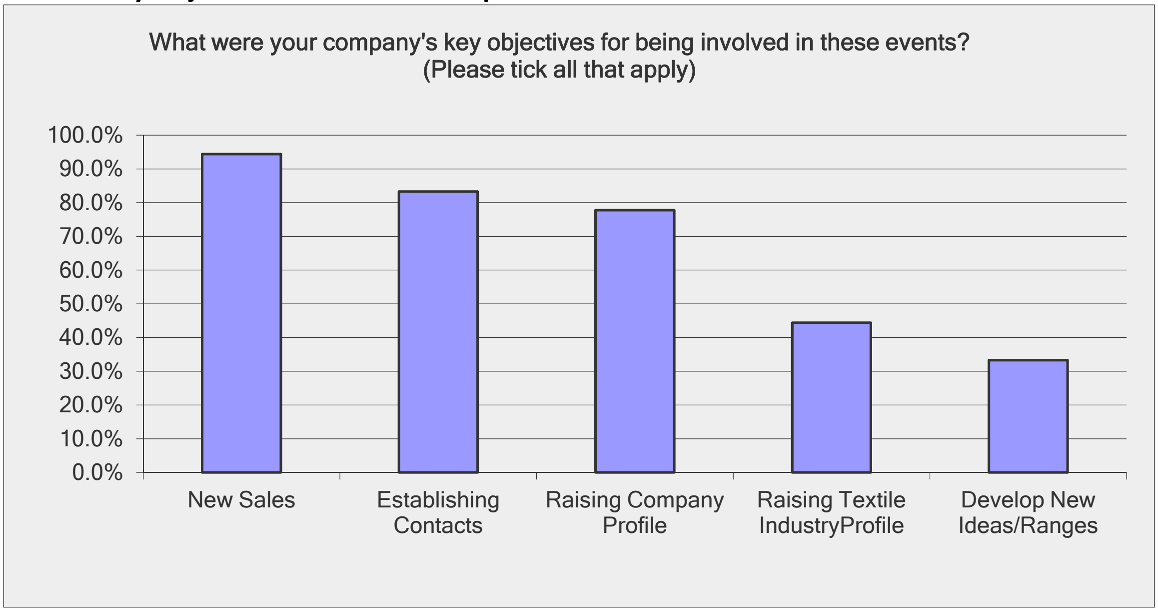


(n: 16)

A4. Companies Key Objectives for Taking Part in Events

Chart 9 sets out the companies' key objectives for participating in the events. This shows that seeking new sales and establishing new contacts are the most important reasons for companies' participation.

Chart 9: Key Objectives for Event Participation



Note: Respondents able to make more than one choice (n:18)

A5. Activity Generated by Events

Table 10 shows which events generated an increase in either sales and/or contacts for the companies involved. This shows that:

- Overall, there were 32 responses to this question (companies may have attended more than one event). The results were:
    - 44% experienced an increase in sales of under £10k resulting from the event.
    - 22% of £11k - £20k
    - 1 company had increased sales of between £31k and £50k (Russia event)
    - 31% did not specify
- In terms of new contacts made:
    - 19% made between 1 and 5 new contacts
    - 1 company made between 6 and 14 new contacts (Russia event)
    - 1 company made between 15 – 30 new contacts (Russia event)
    - 24% of companies did not specify
- Using the mid point of the ranges, average sales per respondent company are £10k and average contacts are 6 per company. It is worth emphasising that these are sales resulting from the events only and take no account of potential future sales that may arise from the contacts made, which is perhaps the most valuable result from these events.

Table 10: Activity Generated by Events

Activity Generated by Events		No of Companies with Sales Generated								of Companies with Contacts Generat					
		Sales								Contacts					
Event	No of Companies	Under £10k	£11k - £20k	£21k - £30k	£31k - £50k	£51k - £100k	Over £100k	None Specified	Total	1 - 5	6 - 14	15 - 30	Over 30	None Specified	Total
UK Event (Oct 13)	**3**	**2**	**1**						**3**	**1**	**2**				**3**
RUSSIA Event 5 (Jul 13)	2	2							2	1				1	2
RUSSIA Event 6 (Jul 13)	1		1						1					1	1
RUSSIA Event 4 (Oct 12)	1				1				1			1			1
RUSSIA Event 3 (Sep 12)	1		1						1	1					1
RUSSIA Event 2 (May 11)	2	2							2		1		1		2
Total (Russia Events)	**7**	**4**	**2**	**0**	**1**	**0**	**0**	**0**	**7**	**2**	**1**	**1**	**1**	**2**	**7**
CHINA Event 1 (Mar 13)	3	2						1	3	3					3
CHINA Event 2 (Jul 13)	2	1						1	2	2					2
JAPAN Event 2 (Jun 12)	1	1							1	1					1
JAPAN Event 3 (Nov 12)	1		1						1	1					1
Total (Asia Events)	**7**	**4**	**1**	**0**	**0**	**0**	**0**	**2**	**7**	**7**	**0**	**0**	**0**	**0**	**7**
USA Event 2 (May 11)	1		1						1	1					1
USA Event 3 (May 12)	2	1						1	2	2					2
USA Event 5 (Jun 12)	2							2	2	1				1	2
USA Event 4 (May 12)	2	1						1	2	1				1	2
USA Event 6 (Jun 12)	2	1	1						2	1	1				2
USA Event 7 (Jun 13)	3							3	3	3					3
USA Event 8 (Jun 13)	3	1	1					1	3	2				1	3
Total (USA Events)	**15**	**4**	**3**	**0**	**0**	**0**	**0**	**8**	**15**	**11**	**1**	**0**	**0**	**3**	**15**
Overall Total	**32**	**14**	**7**	**0**	**1**	**0**	**0**	**10**	**32**	**21**	**4**	**1**	**1**	**5**	**32**
% Breakdown of Events		**44%**	**22%**	**0%**	**3%**	**0%**	**0%**	**31%**			**19%**	**5%**	**5%**	**24%**	

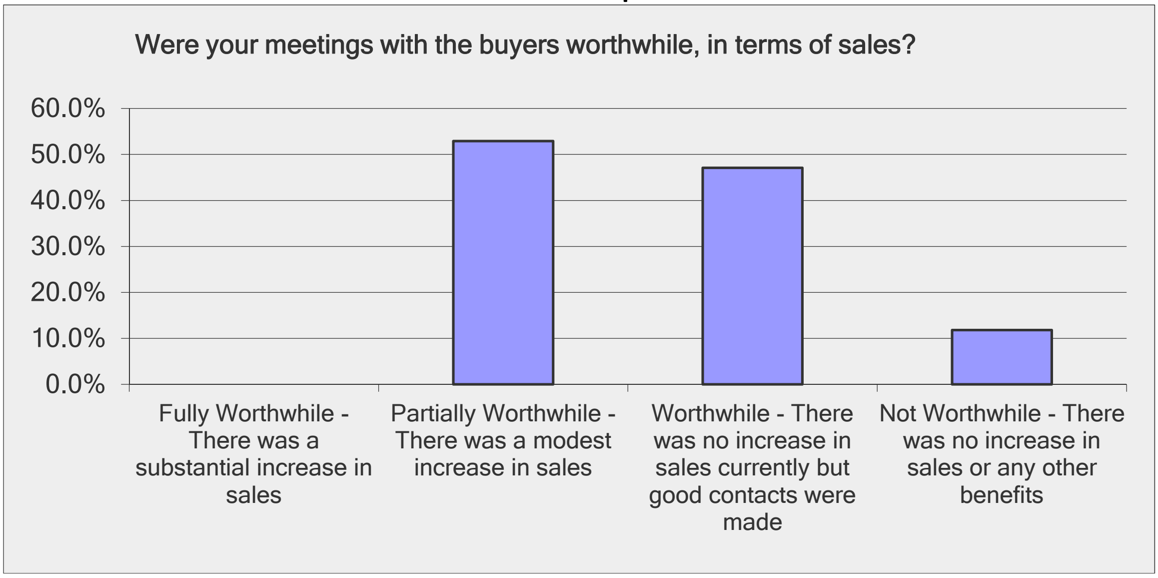
Note: Companies may have attended more than one event (n: 12)

A6. Assessment of Events

Chart 11 shows how worthwhile companies found the events:

- A majority of respondents found the events either worthwhile or partially worthwhile with their companies achieving either a modest increase in sales or no sales but contacts made that could result in sales in the future
- 11% did not consider the events to be worthwhile at all
- No companies considered the events to be fully worthwhile as there was no 'substantial' increase in sales.

Chart11: How Worthwhile were the Events for companies?

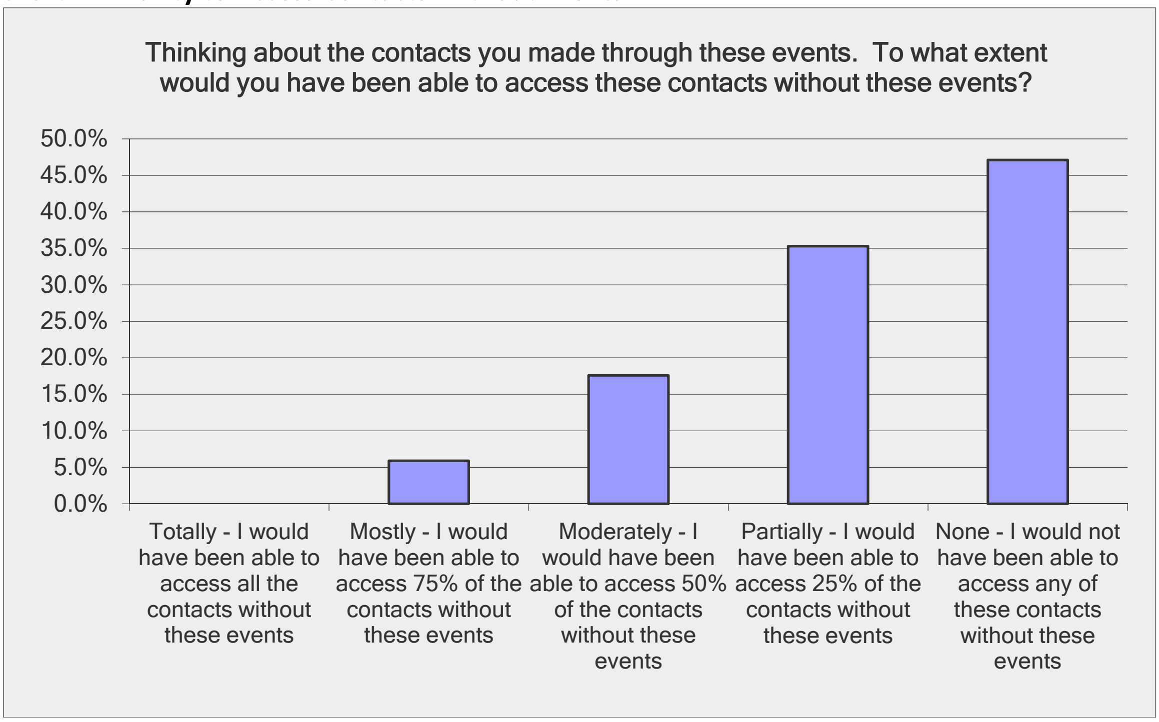


(n: 17)

A7. Ability to Access Contacts without the Events

Chart 12 assesses the capability of companies to access contacts without participation in the events. It shows that 47% of the companies that responded considered that they would **not** have had access to the contacts they made without the benefit of the events. Indeed, 82% of the companies would only been partially able (25% access) or totally unable to access these contacts. This indicates that the events add a substantial level of additionality i.e. able to deliver benefits that would not have been otherwise available.

Chart 12: Ability to Access Contacts Without Events



(n: 17)

A8. Events Value for Companies

Chart 13 considers how valuable the company considers the events to have been. It shows that the majority of the companies (81%) considered the events to have been excellent or good value for money. Only 6% of the companies considered the events to have been poor value for money.

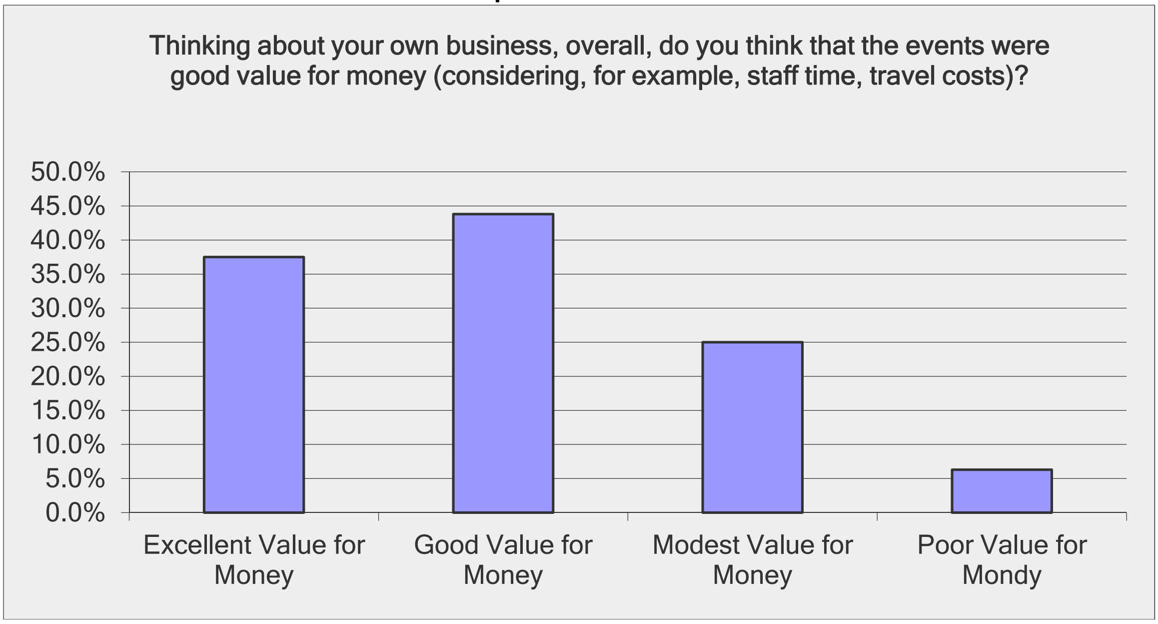
As part of the survey respondents were encouraged to comment on this. Full comments can be found in Appendix 5. However, overall the comments were positive with some companies able to cite positive sales and an ongoing and positive relationship with the contacts they had made and an ability to get a closer view of the market that they would not have been able to achieve otherwise.

Comments that were not positive said that the sales returns were not very high whereas the costs incurred could be high, particularly for a small company. However, one company did point out that whilst their participation had not resulted in any tangible benefits they had learned a lot from the experience.

Interestingly, one company related their experience of benefiting from a substantial level or orders but that they did not have the capacity to fulfil them. So maybe the potential for this could be considered for future events.

Other benefits included the wider support of the group being able to increase the positive perception of the company and setting down roots with potential customers now that could be of benefit in the coming years.

Chart 13: Value of the Events to the Companies



(n: 16)

A9. Events Value for Textiles Industry in Scotland

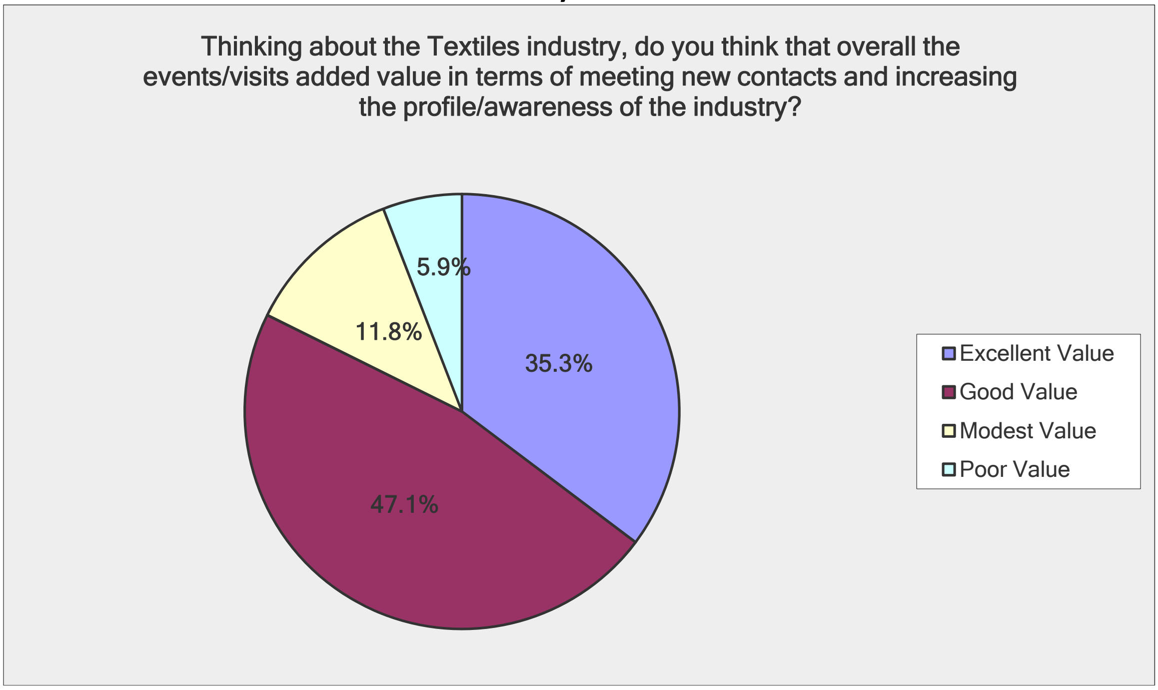
Chart 14 shows how valuable the companies considered the events to be for the Textiles Industry in Scotland. 35% found them to be excellent value with 82% considered them to be either good or excellent.

Again respondents were asked to comment on this and full comments can be found in Appendix 5.

Overall, most companies considered that these events were positive for the Textiles Industry in Scotland. They provide opportunities for awareness-raising of the whole industry in Scotland for buyers/potential customers, allowing them to view the operation in order to gain an understanding of its processes and quality. This benefit of gaining access to potential buyers would not ordinarily be available without the support of SE.

Issues raised in the comments included potential buyers looking for Scottish quality at Chinese prices and the need for greater awareness-raising in, not just emerging markets like the BRIC countries, but in the more established markets such as the USA in order to realise the untapped potential that is still considered to be there.

Chart 14: Events Value for the Textiles Industry



(N: 17)

A10. Plans for Growth

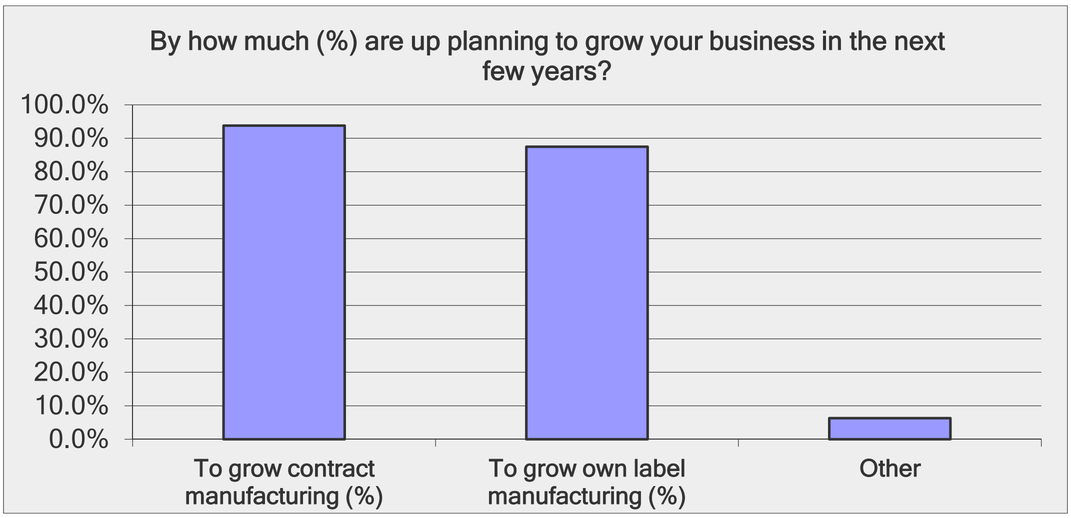
Chart 15 shows how respondents are planning to grow their companies over the next few years. This shows that companies are planning to grow both Contract (94% growth) and Own Label (89% growth) manufacturing in their businesses.

Table 16 – shows the planned % increase of Contract manufacture. This majority (43%) are planning to grow contract manufacture by 1 – 10%

Table 17 – shows the planned % increase of Own Label manufacture. The majority (38%) intend to grow Own Label manufacture by between 11% and 30%.

1 Company plans to replace much of their Contract manufacturing with Own label manufacturing. This is being driven by further expansion to their retail shops.

Chart 15: Planned Business Growth



(n: 16)

Table 16: Planned % Growth of Contract Manufacture

Planned % Increases in Contract Manufacture	No of Companies	%
No Growth Planned	3	18.8%
1 - 10%	7	43.8%
11 - 30%	3	18.8%
31 - 100%	2	12.5%
Over 100%	1	6.3%
Total	16	100.0%

Table 17: Planned % Growth of Own Label Manufacture

Planned % Increases in Own Label Manufacture	No of Companies	%
No Growth Planned	2	12.5%
1 - 10%	3	18.8%
11 - 30%	6	37.5%
31 - 100%	3	18.8%
Over 100%	2	12.5%
Total	16	100.0%

A11. Future Events

The overall majority (94%) indicated that they would be willing to participate in future events.

When asked to comment on the kind of events they would like to see in the future for the Scottish Textiles industry generally the respondents expressed the view that they were quite happy with what is already being done. Some individual suggestions included: increasing the level of inward events to bring buyers to Scotland in order to set the Scottish industry context which can then be followed up with outward overseas visits; better networking between textiles companies in Scotland to share contacts and experiences. One interesting comment considered that some participants at these events may not be making the most of the opportunities to network and develop relationships with potential buyers that were being provided. No reason was given for this but perhaps there is a need to raise selling, relationship-building and negotiating skills in Scottish managers.

Full Comments can be found in Appendix 5.

(B) Account Manager Consultation

22 of the companies surveyed were Account Managed. The Account Managers (8) of these companies were asked to comment on the events and the companies involved in the events. There were 6 Account Manager responses. The questionnaire can be found in Appendix 6.

Findings are as follows:

- The majority of Account Managers (5/6) had some awareness of the events. One AM had no knowledge of the events. For those that had an awareness, four of the them were able to name very specifically the events their companies had attended, one had more ad-hoc knowledge;
- Half of the responses considered the events to be well managed and the other half made no comment;
- 5/6 AMs considered the events to be valuable to the companies and one did not make a comment;

- 4/6 considered the events to be valuable for the Scottish Textiles industry and the remaining 2 did not make a comment.

The AMs were invited to comment on the events and these can be found in Appendix 7. Overall, however, the comments show AMs consider the events to be valuable to both the companies and the Scottish Textiles Industry with some reporting they received very positive comments from their companies. Where issues do arise they can be in a lack of direct communication and lack of consultation with the AMs about the events, with a couple commenting that they only hear about them on an ad-hoc basis on not at all.

Not many account managers were able to report what specific benefits their account managed company had derived from participating in an event, although one was very knowledgeable in respect of the company he account managed. And again, they were not fully aware of any other SE products or support the company may have received as a result of participating in the events.

6. Conclusions

6a. Companies are generally happy with the events they attended. Their objectives for attending the events were (i) to increase sales (94% of companies cited this as a key objective) and/or (ii) make new contacts (83% of companies cited this as a key objective) and these objectives, for the most part, were achieved.

6b. Most of the companies (69% of those that responded to this question) did manage to achieve additional sales at the events, although, in some cases the level of sales were not as high as some companies would have preferred. 44% of companies achieved an increase of sales of under £10k. The highest sales (£21k - £30k) were achieved by one company at a Russian event. However, it should be remembered that these sales came from the events only and whilst these may be limited and less than companies would prefer, the greatest value and real potential for the future may lie in the contacts made and how these can be exploited to achieve further sales in the coming years.

6c. The majority of companies (84% of those that responded to this question) were able to make new contacts through the events and this allows them to build an ongoing relationship with buyers over the longer term. 19% of companies made between 1 and 5 new contacts. The most contacts (over 30) were achieved by one company at a Russian event (different event from 6b above).

6d. For small companies the costs of attending events can be high. This is a key issue for these companies if the resulting sales and contacts are not sufficient enough to warrant the extra outlay to attend an event.

6e. The majority of companies considered the events provided them with the opportunity to access sales and contacts that would not have been otherwise available. 47% of the respondents said that they would have had no access without the events and 35% said they would only have had some access (a quarter of the access). The events therefore achieve high additionality.

6f. 8 companies with an average turnover per company of £10m per annum, 5 of which are account managed, participated in the greatest number of events with an average of 14.8 per company (This is the cohort with the largest companies). This is followed by account managed companies with 6.9 events per company.

6g. Company selection for these events raised some issues from respondents in both the company survey and survey of account managers:

- One company had the experience of achieving high orders but not having the capacity to fulfil the order
- One respondent observed that, in their opinion, other company event attendees did not make the most of the opportunities to increase sales and make new contacts that the events provided. An example was provided of Scottish textiles companies 'being in the room' with some of the most influential people in Japanese retailing and leaving without making introductions or passing out business cards.
- An account manager noted that the companies that attend these events tend to be the same, large, well-established companies that are experienced in exporting (This corresponds with the conclusion in 6f). It was suggested that the industry might benefit if greater support was provided through these events to smaller less-experienced companies.

6h. The majority of Account Managers consulted (5/6 responses) had some awareness of the events. Four of these had very specific knowledge of the events their companies had attended and one had more ad-hoc knowledge. The majority also considered the events to be valuable to both their companies and the Textiles industry.

6i. Issues raised by AMs included a lack of direct communication and a lack of consultation with them about the events and the involvement of the companies they account managed. Apart from one AM who was very knowledgable about the benefits the company had received, most of the AMs did not know or could only report the benefits that companies had accrued from the events in general terms.

6j. 3 Account Managers were able to identify other support that their companies had received as a result of participating in the events. This included a specific product i.e. Smart Exporter and more general support: "further research through SDI colleagues".

6k. As well as being valuable for their own company, respondents also considered the events to be valuable for the Scottish Textiles Industry as they provided opportunities for awareness-raising of the whole industry in Scotland for buyers/potential customers, allowing them to view the operation and gain an understanding of the process and quality. It was considered that the ability to have this would not be available to the industry without SE support.

6l. The overall majority of companies are planning to grow both Contract manufacturing (the majority [44%] by 1% – 10%) and Own Label manufacture (the majority [38%] by 11% – 30%).

6m. 94% of the respondents indicated that they would be willing to participate in future events. Generally they were happy with the current format of events but some suggestions did include increasing the number of events with buyers visiting Scotland in order that they can become familiar with the Scottish textiles context. This could then be followed by overseas visits. Another suggestion was to develop better networking between the textiles companies in Scotland in order to share experiences and contacts.

7. Recommendations

The events are considered by most respondents to be, on the whole, fit for purpose. The following recommendations are made to address any substantive issues that may have been emerged.

7a. There could be the opportunity for greater involvement of Account Managers both before and after the event in relation to any account managed companies involved. One suggestion could be to involve the account managers as part of the selection process described in A3 by including them as one of the groups to be contacted to nominate appropriate companies and involving them in the selection process. This would ensure that AMs are:

- Fully aware of the participation of their account managed companies;

- Can provide intelligence on their companies that could be valuable when planning events;
- Can help with the support offered to companies in preparing for the events e.g. identifying and assisting with any issues that could be addressed; and
- Can follow-up with companies after the event to discuss what had emerged from the event and what wider support could be needed by the company that could be provided by SE, for example helping to exploit the contacts made.

7b. Given that non-account managed companies form the majority (47%) of companies involved in these events, a follow-up process with them should also be undertaken in order to also help them exploit the contacts they have made.

7c. A couple of issues emerged around the companies that were selected for the events in that (i) one did not have the capacity to fulfil the orders they received as a result of participating at an event; (ii) another made comments on the preparedness of some companies to make the most of the opportunities offered by the events to increase their sales and contact; and (iii) the largest companies tend to have a greater number of opportunities to attend events with 8 companies with an average turnover of £10m per annum having an average of 14.8 opportunities against an average of 4.9 opportunities for all companies. It is suggested, therefore, that:

- Consideration is given to increasing the support given to companies prior to the events to ensure they have the necessary networking, selling and negotiating skills that will allow them to maximise the opportunities the events provide. There could be the opportunity for Account Managers to support the companies with this.
- Closer examination of companies prior to being selected to attend events to ensure they have the capacity to fulfil any orders they may receive. Again, there could be the opportunity for Account Managers to be more closely involved in this.
- Whilst there are benefits to the Scottish Textiles industry in having larger, established textiles companies participating in the events, in that they are a recognised and trusted brand for overseas buyers and the cost per company is lower, the opportunity to involve smaller companies in a greater number of events could support these companies to become more proficient at exporting. Consideration could be given to providing these companies with additional support e.g. introduce level of support based on ability to pay or company size.

Appendix 1: Textiles Engagement – All Events ***(event names removed from public document)***

Code	Customer Meeting / market engagement	Date	Detail	Textiles Sub-sector	Location
1	AUS	Jan-14	Australia Event	interiors	Scotland
2	BRA	Apr-13	Brazil Event	interiors	Brazil
3	CHN	Mar-13	China Event	fashion	China
4	CHN	Jul-13	China Event	fashion	Scotland
5	DUBAI	2012	Dubai Event	interiors	Dubai
6	Jap	Sep-13	Japan Event	fashion	Scotland
7	Jap	Jun-12	Japan Event	fashion	Scotland
8	Jap	Jun-13	Japan Event	fashion	Scotland
9	Jap	Jul-11	Japan Event	fashion	Scotland
10	Jap	Oct-12	Japan Event	fashion	scotland
11	Jap	Nov-12	Japan Event	fashion	Japan
12	Jap	Nov-12	Japan Event	fashion	Japan
13	Jap	Sep-13	Japan Event	fashion	Japan
14	Phill	Nov-13	Phillipines Event	interiors	Phillipines
15	Russ	May-11	Russia Event	interiors	Scotland
16	Russ	Jul-13	Russia Event	interiors	Scotland
17	Russ	Jul-13	Russia Event	fashion	Scotland
18	Russ	Oct-12	Russia Event	interiors	Russia
19	Russ	Sep-12	Russia Event	interiors	Scotland
20	Russ	May-11	Russia Event	interiors	Russia
21	UK	Oct-12	UK Event	fashion	Scotland
22	UK	Oct-13	UK Event	interiors	UK

Appendix 1: Textiles Engagement – All Events ***(event names removed from public document)***

Code	**Customer Meeting / market engagement**	**Date**	**Detail**	**Textiles Sub-sector**	**Location**
23	Ukrn	Nov-12	Ukraine Event	interiors	Ukraine
24	USA	Nov-10	USA Event	fashion	US
25	USA	May-11	USA Event	fashion	Scotland
26	USA	Oct-11	USA Event	fashion	London
27	USA	Nov-11	USA Event	fashion	US
28	USA	Nov-11	USA Event	fashion	US
29	USA	Jan-12	USA Event	fashion	Scotland
30	USA	May-12	USA Event	fashion	Scotland
31	USA	May-12	USA Event	fashion	Scotland
32	USA	Jun-12	USA Event	fashion	Scotland
33	USA	Jun-12	USA Event	Interiors	Scotland
34	USA	Aug-12	USA Event	fashion	Scotland
35	USA	Jan-13	USA Event	fashion	Scotland
36	USA	Feb-13	USA Event	interiors	US
37	USA	Oct-12	USA Event	fashion	US
38	USA	Apr-13	USA Event	fashion	Scotland
39	USA	Jun-13	USA Event	fashion	US
40	USA	Jun-13	USA Event	interiors	Scotland
41	USA	Sep-13	USA Event	fashion	US
42	USA	Oct-13	USA Event	fashion	Scotland
43	EU	Jan-14	USA Event	interiors	France

Appendix 2: Textiles Engagement - Events Surveyed *(event names removed from public document)*

Events included in the survey.

Code	**Event**
UK1	UK Event (Oct 13)
A1	CHINA Event 1 (Mar 13)
A2	CHINA Event 2 (Jul 13)
A3	JAPAN Event 1 (Jul 11)
A4	JAPAN Event 2 (Jun 12)
A5	JAPAN Event 3(Nov 12)
A6	JAPAN Event 4(Sep 13)
R1	RUSSIA Event 1 (May 11)
R2	RUSSIA Event 2 (May 11)
R3	RUSSIA Event 3 (Sep 12)
R4	RUSSIA Event 4 (Oct 12)
R5	RUSSIA Event 5 (Jul 13)
R6	RUSSIA Event 6 (Jul 13)
U1	USA Event 1 (Nov 10)
U2	USA Event 2(May 11)
U3	USA Event 3 (May 12)
U4	USA Event 4 (May 12)
U5	USA Event 5 (Jun 12)
U6	USA Event 6 (Jun 12)
U7	USA Event 7 (Jun 13)
U8	USA Event 8 (June 13)
U9	USA Event 9 (Oct 13)

Appendix 3: Textiles Engagement - Survey

Scottish Textiles Engagement - Survey Questions

No	Survey Questions
1	Company Name
2	Your Name
3	Which Textiles Sub-Sector do you Operate in?
4	United Kingdom Events - Please tick if you have been involved in this event. Event Listed
5	Asia Events. Which of the following events have you been involved in? (Please tick all that apply). Events Listed
6	Russia Events. Which of the following events have you been involved in? (Please tick all that apply). Events Listed
7	America Events. Which of the following events have you been involved in? (Please tick all that apply). Events Listed
8	What were your company's key objectives for being involved in these events? (Please tick all that apply)
9	Which events resulted in most sales and new contacts for your business? Choose the events (up to 10) and the respective sales and contacts from the following dropdown menus.
10	Were your meetings with the buyers worthwhile, in terms of sales?
11	Thinking about the contacts you made through these events. To what extent would you have been able to access these contacts without these events?
12	Thinking about your own business, overall, do you think that the events were good value for money (considering, for example, staff time, travel costs)?
13	Thinking about the Textiles industry, do you think that overall the events/visits added value in terms of meeting new contacts and increasing the profile/awareness of the industry?
14	Within your business, what is the current percentage split of (1) Contract manufacture (manufacturing for other companies) and (2) Your own label manufacture (manufacturing for your own business)?
15	By how much (%) are up planning to grow your business in the next few years?
16	Would you consider taking part in similar events/inward visits in the future?
17	What kind of events/meetings would you like to see more of for the Scottish Textiles companies?
18	Who are your key contacts in Scottish Enterprise or Scottish Development International?

Appendix 4: Example Event Application Form

Exhibitions, Missions and Learning Journeys
Application Form
Confidential

textiles
Scotland

Event Name

Event Desciption
Application Details

APPLICATION DEADLINE – Date.

Name and date of Event:	

1.

Name of Company	
Address	
Email	
Telephone	
Mobile	
Website address	
Participant(s) name and Position	

2.

Turnover (£)		
No of Employees		
Main Product(s)/Service(s) e.g contract upholstery fabrics		
Have you previously participated in this event? (please circle)		**Yes/No**
If Yes, please state which year(s)		

3.

What product do you intend to exhibit? Describe any innovative product, process or service you would like to feature at Decorex? Will you be launching a new product?

4.

State your objectives in participating in this event. (e.g. meeting: existing customers, new customers, potential partners, agents, distributors, market research etc.)

5.

Experience in the UK interiors market to date - please list some of your key customers/retailers (remains commercial – in confidence)

6.

List the customer types that you will aim target at Decorex

7.

Describe the marketing activity you will be undertaking in advance of Decorex in order that we can maximise the PR (e.g. mail shots, targeting publications, social media)

8.

Please provide current turnover & estimated additional turnover for the market(s) covered by this event?		**Estimated additional Turnover per annum (£)**		
	Current Turnover	**Year 1**	**Year 2**	**Year 3**

Appendix 4: Example Event Application Form

SPACE RESERVATION: Event

WE
……………………………………………………………………..*(company name)*
APPLY TO PARTICIPATE
ON THE SCOTTISH PAVILION
AT
Event

On receipt of this form, and following the evaluation process, you will be advised by the organisers (Scottish Enterprise/Scottish Dev. Intl.) if your application has been successful. Please note there is no travel grant available for this event.

PAYMENT:
An invoice for 50% will be issued following confirmation to successful applicants which is payable within 30 days

50% due on receipt of confirmation	**= £xx +VAT**
50% balance due by xxxxx	**= £xx + VAT**
Total Cost due £xxxx +VAT	**= £ xx**

INCORPORATION OF TERMS AND CONDITIONS
The Terms and Conditions and this application are deemed as incorporated in to, and form part of, this contract. The information will remain **Commercial – In Confidence** and will not be disclosed to parties outside Scottish Enterprise/Highlands and Islands Enterprise.

Name	**Date**
Signature	

Appendix 5: Survey Comments

Para 10 Comments: Events Value to Company These comments have been removed from the public documents
Para 11 Comments: Events Value to Textiles Industry in Scotland These comments have been removed from the public documents
Para 15 Comments: Suggestions for Future Events These comments have been removed from the public documents

Appendix 6: Account Manager Survey Questionnaire

Account Manager:		
1. Were you aware of these events and the involvement of your company(s) in any of them?		**Enter Yes/No below**
	Yes – all of them?	
	Yes – some of them?	
	No?	

1(a). If so, which event(s) was your company(s) involved in?	
Company Name	**Events (enter codes from attached events list)**
Company Name	

2. What are your views on these events? Please choose from the following :	
A. Well Managed? / Could be Managed Better?	**Please specify:**
B. Valuable to the Company? / Not Valuable to the Company	
C. Valuable to the Textiles Industry? / Not Valuable to the Textiles Industry?	

2 (b). Please explain your answers:
2 (b) answer:
2 (c). Any other views on these events?
2 (c) answer

3. What benefits has your company(s) attained as a result of attending these events. Please set out the benefits below or state *'not known'*.	
	Please specify below:
Company Name	

4. As a result of attendance at the event did the company(s) subsequently access any other SE products/interventions? If so do you know what these were?	
	Please specify products below:
Company Name	

5. Can you make any suggestions on how these events could be improved?
5 answer:

Appendix 7: Account Manager Comments

Account Managers Comments (Para B):

*** AM Views on Events**

• Clearly consultation/communication is missing from the process in many cases, although I know some have to be arranged at very short notice.
• The xxxxx report was particularly useful in helping (Company) define their need to address the 'rest of the USA' market through design and manufacture of lighter weight garments, and an innovation project has resulted. The China xxx opened their eyes to how luxury brands are presented to the Chinese
• I was not involved in the event at any stage so I'm unable to make any comments on the organisation or the event itself. However, my understanding was that (Company) did appreiciate the event. Not aware of any of the events to unable to comment on them.
• Increases exposure to customers that they may not have had the opportunity to get in front of before. Also increases awareness of company brand, products, etc., to new customers. Provides direct feedback to company re sales process and initial impressions by high quality organisation - even if the companies choose to ignore it.
• Good for the industry profile in overseas markets. The companies appreciate buyers and journalists being brought to seem them. It gives them the opportunity to show their manufacturing capabilities and build stronger relationships with target customers. It enables a collection of companies to meet potential customers without the cost of them individually visiting overseas markets.
• (Company) pride themselves on the amount of market research they do prior to addressing a market, and these events certainly allow them easier access to those markets to do their research. The feedback has always been extremely positive with good contacts made and arrangements always well managed - (Company) will made good use of these events as long as they continue
• Companies provide positive comments and has led to new accounts. Events well received and companies mention these events during Account Management discussions
• Do we ask the company's which customers they'd like to meet - could we maybe target.
• Communication appears to be ad-hoc – even within the team. Many of these events appear to involve the same or similar groups of very experienced exporters, and whilst not switching off from these companies, perhaps the industry would benefit from support focusing on some new or less experienced exporters.

*** Account Managers views on Benefits to Companies**

Benefits to Companies
• Unknown
• Unknown
• Some financial benefits are still to be realised, but the events have enables the company to see the correct direction of travel. Contacts made and potential agents identified would not have been possible without the hard work from the overseas staff.
• Received order for 1 rug
• Unknown
• Unknown

*** AMs awareness of Other Products**

Other Products
• Unknown
• Unknown
• Further research through SDI colleagues
• None
• Unknown
• Unknown

Appendix 7: Account Manager Comments

• Not known - difficult to outline tangible benefits like new customers/sales orders without specifically asking the company this question and relating it to the event.
• Unknown
• Increased awareness of countries, stores
• Increased awareness. Now able to base decisions on market information
• Led to new account in the US (Ralph Lauren)
• Increased turnover, increased number of customers
• New contacts made in US

• Smart Exporter
• Market Development project - Greater China research
• None
• Yes, OMS
• Market Development project - Asia
• Unknown