

Appendix 2 Sector Support Fund (SSF) Application Template

1. Project Title	
SE Export Development (SEED)	
2. Project Location	
<ul style="list-style-type: none"> Location of delivery & supporting partners: Kent, Medway, North Essex, South Essex, East Sussex. Location of project beneficiaries (SMEs): whole SELEP area Location of project implementation: whole SELEP area and targeted international market 	
3. Lead point of contact for Project	
Name	Steve Samson
Organisation	Kent County Council
Job Title	Trade Development Manager
Telephone	03000 417167
Email	steve.samson@kent.gov.uk
4. Lead contact in County Council/ Unitary Authority (if different from above)	
N/A	
5. Description of Project (No more than 300 words)	
<p>Exporting helps businesses grow, become more innovative and productive but export levels in the SELEP area have tended to be quite low. Now more than ever, exporting will also be a key way for firms to become more resilient as spreading sales across a range of international markets can help to reduce business risk and aid recovery as the Covid-19 crisis begins to abate.</p> <p>Prior to the Covid-19 crisis, companies in the SELEP area had experienced significant uncertainty about the UK's future trade relations with the EU (and other international markets) and they now face further uncertainty in a rapidly changing and challenging international business landscape. Companies had already reported that they faced many challenges when it comes to exporting including a lack of access to international contacts and a lack of internal capacity to focus on export activity. SEED will seek to address these issues whilst considering how best to ensure that SELEP companies can be best supported to take advantage of opportunities to export their products and services as different international markets begin to open up again.</p> <p>SEED complements the existing export support offer from the Department for International Trade (DIT), Enterprise Europe Network (EEN) and Chambers of Commerce (CoC) and will deliver a tailored programme of support to businesses which are 'new to export' or which have significant potential to internationalise and expand activities into different export markets.</p> <p>As a pilot, the project will support companies from a priority industry sector (either Life Sciences, Agri-Food, Environmental Technology or Digital & Creative) which is of strategic importance to the SELEP area and with significant export potential. The project will focus primarily on manufacturers of products within the chosen sector (as it is easier to display products at a trade show), but companies offering services will also have the opportunity to participate, especially through a trade mission.</p> <p>The project will deliver the following activities:</p> <ol style="list-style-type: none"> Business Engagement: a series of communication activities to recruit companies from the target sectors wishing to expand into international markets and assessing their suitability to participate in the project. This will be a crucial part of the project to ensure that a good representation of relevant businesses from across the SELEP area are engaged with and supported by the project. Export preparation: working to help selected companies get 'export-ready' (with hands-on 	

support from DIT, accredited CoCs and other strategic partners) through 1-2-1 and group training activities (covering topics like market selection in a shifting global environment, complying with new trade regulations, innovation & product adaption for overseas markets, paperwork & customs, routes to multiple markets, managing risks around exports, distribution, getting paid and maximising time at exhibitions). This activity will include an element of responding to evolving business needs around export challenges and barriers to provide up to date and useful information to companies.

3. **A SELEP Stand at an International Trade Show:** Organisation of a SELEP stand at a major international trade show, with dedicated space for 20 companies allowing them to showcase their products / services to global audiences from the right industry sectors. This will also allow the inward investment agencies from the federated areas to promote SELEP abroad as a place to do business. A video will be produced for display on the stand showcasing the best of the sector in the SELEP area and key investment sites and assets. Representatives of the Inward Investment Agencies in the SELEP area will be invited to attend the show to meet with international business contacts and also promote the area as place to invest and do business. Although most international trade fairs have been cancelled in 2020, it is anticipated that such activities will resume in 2021 and it is important that companies from the SELEP area are at the forefront of such opportunities to promote their products to an international audience to aid economic recovery.
4. **A SELEP trade mission** will also be organised to enable a further 30 companies to visit the same show to carry out market research and participate in a range of matchmaking, meet the buyer and market insight presentations.

The project will provide intensive support to 50 businesses from the SELEP area with an estimated split per federated area as follows: Essex: 12, South Essex 8, Medway 5, Kent 16, East Sussex 9

The sector focus and therefore the target international trade show are due to be finalised by the delivery partners and will be decided at the start of the implementation phase when the partnership will review the most suitable international trade show opportunities and take into account the most up to date intelligence and feedback from potential beneficiary companies in the SELEP areas.

An example below of a typical trade show stand used by Kent in the past gives an idea of what will be developed for SELEP within the SEED project:



Commented [HDCP01]: Not sure when trade fairs will return

6. Federated Board endorsement

Please indicate which Federated Boards have endorsed the project, including dates of any relevant meetings.

- The draft application was sent to KMEP on 16 March for endorsement by written procedure as the physical meeting planned for 17 March was cancelled.
- The Success Essex Board also discussed the project at their meeting on 16 March and supported the

bid. Their comments have been taken into account in this application.

Commented [HDCPO2]: No mention of OSE or TES

7. Project links to SELEP Economic Strategy Statement (ESS)

According to DIT, firms that export show higher rates of productivity than those that solely operate in their domestic market. SEED will make an important contribution to Boosting Productivity as part of the ESS which states that "We will help firms to create better links internationally, through exporting, importing or international partnerships."

SEED will provide intensive support to businesses in SELEP's strategically important sector, whilst raising the profile abroad of the SELEP area's strengths.

The project aligns perfectly with the new South East Local Industrial Strategy which states:

- Strategic Opportunity; "the South East's critical role as a global gateway and as a leading location for inward investment, linking the UK with international markets. We will work with our gateways to strengthen these locations by ... capitalising on this to increase international trade and enterprise for the region"
- "We can increase domestic and international trade, supporting our businesses to take advantage of our successful track record in securing inward investment and export opportunities."
- "Driving up the UK's export ability – and its attractiveness to inward investors – will be a high priority and one from which the South East will benefit through its role as the UK's global gateway."
- "We will create a thriving business environment that supports our businesses to grow, innovate and to trade internationally. We will also continue to build a strong business-led voice for the South East economy, supporting growth through increased exports, foreign direct investment and exposure to wider markets."

SEED will directly contribute to the following SELIS key outcomes:

- "Increased international trade and investment as a result of improved skills and leadership capabilities"
- "Increased domestic and international trade"

8. Total value (£s) of SSF sought (net of VAT)

£129,860

9. Total value (£s) of project (net of VAT)

£169,860

10. Total value (£) of match funding (net of VAT)

£40,000

11. Funding breakdown (£s)

Source	2017/18	2018/19	2020/21	Total
SSF			£129,860	
Other sources of funding (please list below, add additional rows if necessary)				
Dedicated officer time from the partner Local Authorities (Kent, Medway, South Essex) and Chambers of Commerce			£25,000	
DIT SE, DIT East & EEN SE & East International Trade Advisor time			£5,000	
SME contribution towards travel and accommodation costs			£10,000	

Commented [HDCPO3]: Confusion around OSE and Success Essex?

Total Project Cost			£169,860
12. Details of match funding			
<p>Each of the delivery partners (KCC, Medway Council & Sussex Chamber and South Essex) will contribute a dedicated amount of officer time for the management and implementation of the project.</p> <p>Further in-kind support through local partners in the SELEP area: DIT International Trade Advisor time will be contributed to the project along with time dedicated to the project from Enterprise Europe Network and the accredited Chambers of Commerce in the SELEP area.</p> <p>Support from inward investment agencies in the SELEP area in the form of officer time will also be secured for the trade show participation.</p> <p>The beneficiary SMEs will make a contribution to travel & accommodation costs for the trade shows to help demonstrate their commitment to international sales but this will be proportionate so as not to create a barrier to their participation.</p> <p>The total value of staff time put into the project by the deliver partners and supporting organisations is likely to exceed the figures above which are a conservative estimate of the overall match allocation for the project.</p>			
13. Expected project start and completion dates			
1 September 2020 to 31 August 2021 (although the planning phase will begin with initial (virtual) meetings and discussions taking place as soon as the project is approved)			
14. Key Milestones			
Key Milestones	Description	Indicative Date	
Promotion of SEED Project to target companies	A series of promotional activities will be designed and delivered by the delivery partners as well as being disseminated by strategic local partners (export support organisations, business support organisations and sector groups) including: <ul style="list-style-type: none"> • Social media activity • Promotional flyers • Newsletter articles & bulletins 	Oct-Nov 2020	
Selection of companies to participate in support programme	The partners will develop an Expression of Interest form and suitable selection criteria (focusing on export readiness, track record in the domestic market etc) and will invite companies to apply for the programme. The partners will select eligible companies (with expert advice from DIT, EEN, local authorities' ED Teams and the local Chambers of Commerce) for the project and companies which have already been working with core export support services may be particularly relevant for this project.	Nov-Dec 2020	
20 x 121 export readiness visits to companies	Each company will receive a 1-2-1 visit from a DIT International Trade Advisor or equivalent Chamber of Commerce or EEN advisor/Local Authority Advisor to ensure that they are export-ready	Dec 2020 -Feb 2021	
4 group export & trade show training sessions (2	Training sessions will be organised in the different federated areas for the selected companies based on	Jan 2021 – March 2021	

Commented [HDPC04]: OSE

for each target sector)	<p>their sector with tailored advice about regulations and exporting procedures. These will bring together advise & expertise from the core existing, export service providers in the SELEP area (DIT, EEN, CoCs).</p> <p>Trade show preparation sessions will also be organised to ensure that the selected companies can properly prepare for the trade show stand and maximise their participation</p>	
SELEP trade show stand organised at trade show (20 companies exhibiting)	<p>The delivery partners will book stand space, commission the design of the SELEP stand and make all of the necessary logistical arrangements on behalf of the companies as well as organising receptions / promotional events to maximise the exposure of the companies at the events</p> <p>The partners will also use international connections (DIT overseas posts, EEN's extensive network and the British International Chambers of Commerce network) to make the most of in-market expertise and contacts for the companies.</p>	April-June 2021
Trade Mission (30 companies) visiting trade show	The delivery partners will organise travel, logistics and a full programme of activity for companies attending the trade show as part of the SELEP trade mission.	April-June 2021
Follow-up support to companies	The delivery partners and their local export-support providers (DIT etc.) will work with companies to ensure that leads obtained at the trade show are followed up and that any potential barriers to overseas orders being fulfilled are tackled	July 2021 onwards (this will continue after the formal end of the project)
Evaluation report including details about benefits captured from participating companies	The partners will capture detailed feedback from the companies to gather information about immediate benefits for each participating company (e.g. leads generated, direct export sales etc.) which will be followed up at regular intervals after the project end date to capture longer term benefits.	August 2021
15. Benefits created by 2021 (list benefits with number/amount and cash value if applicable)		
Type of Benefit	Number of benefits created	Cash value of benefit (£)
New skills and knowledge gained by participating SMEs	50 SMEs with new knowledge and boosted internal export capacity	
International exposure for SMEs	50 SMEs exposed to new international markets	
Sales leads generated for companies	20 leads per exhibiting company gained at the trade shows	
New international business contacts made	200 new contacts made by companies participating in trade mission leading to international partnership or co-operation agreements	
Export orders / contracts secured	New export orders company in the year following the project implementation	£200,000 estimate (Average £10K per exhibiting company)

Increased turnover for exhibiting companies	10% increase in turnover between the start of the project and 6 months after the end of the project	
---	---	--

16. Value for Money – Benefit/Cost Ratio

Based on metrics detailed in an evaluation of UKTI's (now DIT) Tradeshow Access Programme by the London School of Economics in 2008, companies participating in a single trade fair report an average financial benefit of £40,000. Within the SEED project, the amounts will vary from company to company as we will focus on smaller companies who are 'new to export' or who have only limited export experience. So, based on enabling 20 companies to exhibit at an international trade show, we conservatively estimate total export wins to be more than £200,000. We would consider an export win to be new orders or contracts resulting from the participation in the trade shows in the year following the project as it can take some time for companies to follow-up on leads identified at trade shows and subsequently fulfil any export orders. SEED will therefore secure an equal return on investment for the SSF grant.

In recent years, DIT-funded trade shows offered £70 return for every £1 spent (Gambica 2018) which shows the value of helping businesses with this type of activity.

This project also adds value to previous initiatives funded by SELEP such as the 'Get Exporting' ESIF project which enhanced DIT's core service offer to companies in the SELEP area. This project goes a step further by removing the financial barriers faced by companies to enable them to exhibit at global trade events.

We also anticipate other benefits for companies participating in the project such as increased productivity (a key characteristic of exporting companies) and potential collaborations. We will capture details of such benefits using a detailed project evaluation form which companies will complete at the end of the project.

17. Value for Money – Other Considerations

Once a company has made the necessary internal preparations for export markets (ensuring compliance with regulations in target market, internationally-tailored communication and labelling materials, suitably skilled staff, decisions on shipping, logistics, payments and aftersales support etc.), in order for SMEs to successfully export, they need to ensure that their products and services are showcased in their target markets. Trade shows are a key way to do this. They offer a unique opportunity to meet potential buyers, collaborators and international industry contacts but attending and especially exhibiting are expensive. SMEs are often unable to resource attendance at such events meaning that they miss out on opportunities to win export business.

By undertaking a SELEP approach to organising a joint stand at a major international trade show, significant value for money is achieved. The costs of developing attractive trade show stands and booking exhibition space can run into tens of thousands of pounds which is beyond the reach of most small companies. Significant staff time is also required to make the necessary logistical and preparatory arrangements and most companies also struggle to do this.

The approach of the SEED project is to eliminate these costs for SMEs and to achieve excellent value for money by investing in a SELEP pavilion which will host 20 companies at an international trade show. The cost per company is significantly reduced. A further 30 companies will also be able to use the stand as a base during the trade mission.

18. Dependencies and Risks

Risk	Likelihood	Impact	Mitigation	Overall risk
The possibility of a lack of clarity at the end of the UK-EU withdrawal	Possible	High	Monitor Brexit implications during and after the 'Transition Period'	Medium

period causing additional uncertainty among businesses about trading relations with EU and international markets				
Risk of corona virus causing the ongoing cancellation or postponing of trade shows and preventing international trade	Possible	High	Plan the trade show participation and trade mission for mid-2021 when the impact of coronavirus will hopefully have significantly reduced	Medium
Failure to recruit sufficient numbers of companies to participate in the main project activities	Unlikely	High	Wide publicity campaign involving local partners in the different federated areas of SELEP and selecting well-known industry events and providing attractive package of hands-on support	Low
Failure to secure direct export wins at the trade shows themselves	Possible	High	Detailed training & preparation activities for companies prior to participating in international trade shows and ongoing support for companies to pursue leads gained after the events	Medium
Not being able to secure the right amount of stand space for the SELEP companies	Unlikely	High	Booking stand space well in advance with enough lead-in time to make all arrangements	Low
Exchange rate fluctuations	Possible	Medium	Costs incurred 'in-market' could be higher than planned if the value of the pound drops significantly	Low

This project was developed before the coronavirus crisis began when the global trading environment was very different. Part of the rationale for the SEED project was to provide practical assistance to companies to help them navigate through the additional challenges caused by Brexit. The partners recognise that the world economy now looks very different and will approach the project flexibly to ensure that companies are receiving the right support in a way that ensures maximum exposure to the best international opportunities. The partners and potential beneficiary businesses have now got used to operating in new ways and will take a similar approach to ensure that the project achieves successful and lasting outputs and benefits for companies in the SELEP area.

19. State Aid Implications

The value of the support provided to beneficiary companies will be treated as secondary level State Aid under the EU De Minimis regulation (1407/2013). The partners will ensure that the following activities take place to ensure that beneficiaries (SMEs) selected are in line with state aid regulations:

1. Include a self-certification section on the project expression of interest form for companies to sign declaring any previous state aid awarded and that they have not received more than the permitted de minimis threshold during the last 3 fiscal years
2. Informing the beneficiary companies (at the selection stage) of the likely value of the state aid (project support) to be provided through the SEED project
3. Writing to each beneficiary company at the end of the project to confirm how much de minimis aid has been granted by the project.
4. Ensuring that records are retained by the beneficiary companies (SMEs) and the awarding bodies (project partners) for a period of 10 years after the end of the project.

20. Contracting Body

Kent County Council, Economic Development, Invicta House, County Hall, Maidstone, Kent, ME14 1XX

Mr David Smith, Director of Economic Development, david.smith2@kent.gov.uk 03000 417176

21. Project Governance Structure



- Kent County Council will oversee the implementation of the project building in its experience of running & coordinating export support activities locally. A project manager will be supported by a dedicated part-time project officer who will work on the day to day implementation of the project.
- South Essex and Medway will also nominate a lead officer for the project who will support the implementation of the project.
- Essex & East Sussex County Councils are unable to dedicate specific staff resource for the implementation of the project but will keep in contact with the project officers from the other federated areas to ensure a fair representation of businesses from all areas. External 'support partners' (DIT, EEN and Chambers from across the SELEP area will support the implementation of the project including identifying potential beneficiary companies and delivering export readiness training and advice.
- The above individuals will take part in the project steering group which will meet at regular intervals (and arrange regular teleconferences) to plan and oversee the implementation of the project.

22. Declaration

Declaration	I certify that the information provided in this application is complete and correct
Signature (Lead applicant)	Digital submission
Print Name	Steve Samson
Organisation	Kent County Council (Economic Development)
Date	30 April 2020