

Why waste should consider going global

Bearing in mind that the UK boasts a sophisticated and rapidly developing recycling and waste management sector, *Carl Hasty* offers ten reasons why UK recycling and waste businesses should consider expanding their markets and going worldwide in 2012.

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SOME PUNDITS say the time to expand your business is during an economic slowdown; namely when your competitors are tightening their belts. With customers looking for better value, now is the time to demonstrate why your product/services offers them the best deal - not just in the UK but on a bigger stage.

The UK economy is stagnant

Figures from the Office for Budget Responsibility (OBR) in April showed that the UK is back in recession after a 0.2% contraction in the economy in the first quarter of the year.

In truth, the UK economy has been like a fighter on the ropes since 2008; since the middle of that year it has had seven quarters of GDP growth compared with nine quarters of GDP contraction. Sure, much of Europe is also in recession, but by casting your net further afield, logic suggests you are far more likely to find a demand for your products.

Using competitive advantage

Many exporters find that foreign markets are less congested and provide a 'softer target' for their products and services simply because they are less competitive than the domestic, UK market.

Now, consider the UK waste management industry which has experienced growth of 64% since 2003 and employs 70,000 people in some 3,000 companies, with an annual turnover of £9bn. It is a seriously sophisticated and rapidly developing industry and one that is ideally placed to offer expert support to many markets around the world.

The UK is at the forefront of an array of innovative waste management technologies such as material recycling facilities, mechanical biological treatment, landfill engineering, composting and anaerobic digestion and waste to energy.

Its businesses in these areas can more than hold their own on the global stage.

A hedge against global uncertainty

The world is an uncertain place right now. Close to home the Eurozone is the epicentre of this uncertainty.

As I write, Greece looks like it might be heading for the Eurozone exit door in the coming months as its leading politicians refuse to accept the EU's austerity straightjacket.

Greece leaving could be the catalyst for a partial or complete break-up of the Eurozone, with potentially dire consequences which will be felt strongly here in the UK.

In economic terms, the world is at its most uncertain juncture since the 1930s and the great depression. Against such a backdrop it's surely prudent to have your eggs in more than one basket. It is worth noting also in this context that the waste and recycling industries of many developing countries are far less sophisticated than in the UK and are ripe for growth and development. They require clever, tech-heavy solutions and expert consultancy

services; the likes of which UK suppliers are geared up to provide.

Boost employee engagement

Motivated, engaged employees are a must-have right now. There are a whole host of initiatives that businesses can introduce to improve employee engagement.

Going global is one of them.

The process of heading into international markets can often reinvigorate employees and boost their motivation.

The prospect of international travel with work is also a huge positive for many people, enhancing their skills while boosting their career development.

Put simply, becoming a globally-orientated enterprise could help your business retain its best people while also attracting a higher quality of candidate. This could prove particularly pertinent in attracting those much sought-after specialist engineering and technology skills that are at a premium in the waste and recycling sectors.

World class support available

UK governments have gone to great lengths to back UK exporters in recent years. UK Trade and Investment (UKTI), the main support

mechanism for exporters, has 2,400 staff and a presence in 96 countries.

It can help in many areas; from providing market intelligence to offering advice on business regulations and legal issues in target markets through to overseas trade missions.

It has a fantastic lead service with, at any one time, listings of any number of lead and joint venture opportunities around the world for waste and recycling businesses. Private business bodies, such as the British Chambers of Commerce network and the CBI also offer great support for exporters, including trade missions and seminars.

Researching foreign markets is much easier

The Internet has changed everything where researching foreign markets is concerned. It can help in the research of key target markets abroad as well as in finding and vetting suitable agents for your business. Joint venture partners can also be found over the web.

You can kick-off with the CIA World Fact Book which provides a political, business, trade and economic fact sheet on all countries around the world.

Another useful source of research is the archives of business and industry journals for

particular countries. For information relating to foreign waste and recycling regulations and requirements you can look at the websites of foreign trade associations, embassies and trade missions; often these are free.

Gearing up to trade globally

Speak to any experienced exporter and they will invariably tell you that the process of preparing to trade internationally has had a positive impact on their business.

Going global often adds an extra competitive edge to a business.

Systems have to be fine-tuned and marketing sharpened. The global market is no place for shoddily run outfits. Going global can act as a catalyst for your business to step up a gear; with knock-on benefits for your domestic market.

The world is a smaller place

Communications technology is having a huge impact on international trading partnerships.

While face-to-face might be required to close out a deal, technologies such as video conferencing and Skype mean it's now possible to maintain healthy relationships with clients on the other side of the world without having to travel abroad.

With communications technology improving daily, foreign travel costs can be kept to a minimum. In many ways, this has levelled out the playing field, meaning global trade is no longer the sole preserve of large multi-nationals. In the case of waste and recycling this is enabling smaller, niche operations to look at exporting as an option where previously the costs associated might have been prohibitive.

Your competitors are doing it

And if they are not, they soon will be.

More and more UK waste management and recycling companies are looking at exporting as an option, due in large part to the benefits outlined above.

Those who succeed in their endeavours are likely to be more competitive domestically as a result. By sticking to domestic markets, your business risks be left behind by the competition.

Many businesses worry about foreign exchange when trading abroad

Will the volatile international exchange rates we have been seeing impact on profits? Will commissions on foreign exchange be costly?

The good news is that foreign exchange is something you don't need to worry about.

Your chosen FX company should be able to provide a complete support package in this area. We can bespoke our FX services to the requirements of your business and its international goals. To protect against currency fluctuations, we adopt hedging techniques such as forward contracts to provide stability to those engaged in international trade.

We also help exporters to maximise margins by offering significantly better-than-bank currency exchange rates. This support allows you to focus on your core objective – developing your business abroad.

- For more information go to www.smartcurrencybusiness.com/RWW

