



The ASEAN network represents a high-growth economy of over 600 million people

British B2B companies should be exporting to Asia

Darren Baxter explains why the uncertainty surrounding Brexit should encourage more companies to trade with South-East Asia.

For most people, Asia has become synonymous with cheap imports and the ready availability of low-cost, high-quality consumer products. Competitively priced Asian manufactured products have transformed businesses across Europe, whether they are e-commerce sites offering fashion goods, distributors of household products or electrical goods retailers. In the same way that America changed the way manufacturing businesses operated in the 20th Century with new models and business theories, Asia – and most specifically South-East Asia – is doing the same thing in the 21st Century.

What is the nature of the opportunity for UK companies? Which sections of Asia are best to target and how? Here are five things you should know about doing business in Asia.

Where to focus your attention

We all tend to think of China when we think about doing business in Asia, but while this country is a vast market opportunity, it is also one of the more difficult to penetrate. From personal experience, South-East Asia is a more accessible option, and, specifically, the English-speaking countries that form



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part of the ASEAN network, which includes Thailand, the Philippines, Brunei, Cambodia, Indonesia, Vietnam, Laos and Singapore. This region represents a high-growth economy of over 600 million people, with a combined GDP of \$2.4 trillion. Based on future projections, it will be the fourth largest by 2050, with over 5% annual forecast growth rates. Compare that to the sluggish rates within the majority of Europe and the opportunity is obvious.

What is in demand?

There is an insatiable appetite for importing cheap consumer goods produced by South-East Asian companies, but when it comes to ASEAN firms buying B2B products and services, the reverse is true and Brand GB is held in high regard. Although the biggest importers are the banking and finance sectors, many British B2B companies – for example, consultancies, software developers and other business suppliers – offer products and services that are very highly sought among these fast-growing businesses, all of whom are keen to adopt best practice.

Where to start?

There is a wealth of support available for UK businesses to take advantage of, ranging from Invest HK to the British Chamber of Commerce in Asia and the CBI. There are also many trade shows that are worth attending, to conduct initial market and competitor research. Attending CILF, one of the region's largest trade events for the transport and logistics sector, highlighted the fact that few UK logistics software companies were actively targeting mid-range businesses in Asia, and yet demand for our products and services would be ongoing and likely to grow as the local economies grow.

Local business culture

One of the biggest differences anyone doing business in South-East Asia will notice is the culture. It is very relaxed and not dissimilar to the way things were in the 1980s and 1990s in the UK. That said, people work extremely hard and dedicate long hours, but the boundaries are far more blurred. Business is a very sociable activity. People do a lot of networking

and will think nothing of having five or six mini-meetings during a day, like speed networking, to share ideas and explore opportunities together. Conversely in the UK, people will travel for a couple of hours to see a client and then spend the morning there to justify the trip. Asia moves much more quickly, travel times are shorter and meetings more frequent and brief. There is also less concern about the etiquette of buying someone a drink or meeting them over dinner, whereas in the UK, we have become much more constrained by legislation and time pressures.



Countries like Singapore offer a huge untapped source for trade

How to take the first steps

Partnerships are a low-risk strategy to adopt when considering the first steps to take. Indigo has built a multilayered partner network to take advantage of local contacts and expertise, providing business and solution expertise to the end-customer. Depending on the nature of the relationship, our partners can either support us with simple referrals or provide specialised sales and implementation services. Both are equally important to have in place, especially during the early stages. We also have a wide partner network that is more formal, with specific agreements in place with software vendors who offer complementary products, such as transport management systems, quality assurance software and document management, from whom we can receive referrals and on the ground support.

With the uncertainty of Brexit on the horizon and stagnant growth in Europe, South-East Asia offers huge, untapped demand among a wide range of high-growth, local businesses, for UK-based developers of technology solutions with a strong reputation.



The UK is currently one of the leading European investors in Thailand

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