



ExportSavvy

ExportSavvy Case-Study **Brandauer Precision Pressings**

Customers can ease your passage into new markets

There's a reassuring feel about precision pressings and stamping specialist Brandauer; a trading history stretching back to the 1860s, still very close to its original Birmingham location and in a sector which echoes the era when British industry was a dominant global force.

Founded as a maker of pen-nibs, by the grandson of an immigrant who fled to Britain to escape religious persecution in his French homeland, and a German entrepreneur whose name the company still bears, it's now into its fifth generation of family ownership.

Equally though, Brandauer is a very modern business; through its willingness to seek out new commercial opportunities and new sectors, to fine-tune long-term strategies for today's volatile trading environment, and the passion with which it has embraced social media.

CEO Rowan Crozier, who arrived six years ago as Sales and Marketing Director, was given freedom by the family shareholders to lead the company into new strategic directions, and it's clearly a challenge on which he thrives.

"I received a very open remit, and the investment which has been made here consistently over the decades has been a major enabler in allowing us to take on new opportunities," he admits.

"Everything we need is now right on site, whether it's for a small prototype run of micro metal stampings in our newly-launched special production division, or a multi-million pound order of sophisticated components for global customers.

"The level we're at - in terms of design, quality and flexibility - means we don't have many rivals in the UK, although there are many more in Europe. It does require consistent investment though. We spent £250k on new machinery, presses and other equipment just for the new division.

"Throughout its history, Brandauer exported some of its production. I think the first two trade shows its founders attended were the Great Exhibition of 1862 in London - and a similar event in Austria. Traditionally though, it sold to one or two overseas markets, rather than making exports a target for major revenues.

"The company also didn't really compete in Europe, partly as that wasn't its strategy, but also because it didn't have a full-service offering, allowing it to offer customers everything from prototype designs right through to full production.

New export strategies take time and effort

"Over the last two to three years, we've really focused on studying what represents 'best in practice' in our industry, what the successful companies in Europe - particularly in Germany - were offering, and how we could best compete effectively and successfully against them.

"It's been a slow-burn process, rather than dramatic, because we first had to learn much more about the markets we wished to enter, and we were working to a new strategy which would take time; to understand our competitors, to set realistic targets and to use our existing customers to enter these new markets."

The latter approach, combined with the support and guidance of Brandauer's corporate banking partner, HSBC, and advice from UKTI, has proved particularly successful.

"We weren't sure if it would work for us, but now it has, I always say to everyone that they should really get to know their biggest customers, and to ask how they first entered markets," says Crozier.

"If you have a commercial relationship with the UK arm of a company whose parent is based overseas, it is much easier and more effective to ask them for guidance, rather than trying to target a new market by starting from scratch.

"The secret is to put the effort into engaging with customers, so you understand their business model, their strategy, and even their mindset as individuals. If you simply talk to customers during the order/delivery process, you can't build the depth of relationship required.

"However, if you do build a genuine partnership, then when you ask them if they (directly) or their parent company might be able to help you enter new overseas markets, they'll tend to respond in a positive and helpful manner.

"You also need to be prepared to flex your current business offer to suit these new markets. There's no point trying to sell 'simple' metal products to Germany, for example, you have to focus on highly-technical products where you can demonstrate your experience and your ability to understand their precise requirements.

"In general, it's about realising that a 'one size fits all' approach is doomed to failure when you're looking to develop sales to new overseas territories."

Never be afraid to change what isn't working

Brandauer has also fine-tuned its approach to trade shows and exhibitions, after years of focusing most of its resources on attending major industry events in the UK.

"Last November, we decided to have a stand at Productronica, which is in Munich, and is one of the world's largest exhibitions for manufacturers and suppliers of electronics goods," recalls Crozier.

"We'd never been there, so we made a really big effort. We sent out targeted invites, designed special branding and took five senior members of our management team across. Even we were surprised though by the responses we got, and by the mindset of everyone.

"There was a charge for entrance, people were there to do business, there were very few 'tyre-kickers' around - which you still get in the UK - and over the four days we took 75 serious inquiries, and roughly a third were for potential high-volume orders.

"At a similar event here, we might have got 20 or 25 inquiries, if we were lucky. Best of all, the turn-round time was much faster than in the UK, so we took our first order for a prototype before Christmas, and we're looking to move up to full production of that item very shortly.

You'll be surprised who your bank knows

"The success we've seen from going to Munich has made us think very seriously about whether we should continue to do exhibitions in this country, and we're already planning to return this November for Electronica, which is the sister show for the one we visited."

The hard work of starting a new export strategy has also paid off in other countries; again after support from UKTI, current customers and HSBC.

"We hadn't previously used our bank to help us explore new geographics, but as we have an excellent relationship with HSBC, and given its immense overseas reach, it seemed logical to ask them for assistance," says Crozier.

"They proved invaluable, not just by providing contacts on the ground, but through their research and knowledge of market sectors, and by giving us an understanding of the landscape for commercial finance and business finance in each new country."

It's a model which Brandauer will continue to operate as it looks further afield, during 2016 and in the years ahead,

"Working with our key partners - UKTI, customers and our bank - is certainly a formula which works for us," says Crozier. "The US and China are by far our largest export markets, as they have been for years.

"However, we're now picking up orders in 16 countries, which is crucial because with the current economic volatility, we don't want to be dependent on just one or two countries, and ideally, I'd like to see us have no more than 20% or 25% of business from a single marketplace.

"Exports are now around 70% of turnover, and I'd expect us to be closer to 75% by the end of 2016. We're also being careful to avoid becoming dependent on any particular sector.

"Although it might sound counter-intuitive from a company in the West Midlands, we're not actively trying to win business directly from the region's car-makers."

Think on!

Could your business learn from Brandauer's hard-won experience?

Rowan Crozier lays great emphasis on an approach driven by research. Could you develop a better strategy by putting extra effort into understanding your target markets and your competitors better? By really understanding competitor 'best practice' Brandauer were able to put together a proposition that matched gaps in the market.

Brandauer's use of existing customers has been very fruitful. Do you have customers who are part of an international group or have international suppliers? Have you discussed your customers strategic requirements with them? Do they understand what you might be able to offer them and their international contacts?

Brandauer also made productive use of its banking relationship. Have you discussed your international ambitions with your bank and asked them what they might be able to do for you?

You can explore some of the issues raised here in more depth in the following modules in the Savvy Academy:

[Your Route to Market](#)

[Simple Desk Research](#)

[Communicating Your Proposition](#)

