ZDH PARTNERSHIP PROGRAM

SETTING UP A BUSINESS MATCHING SERVICE WITHIN A CHAMBER OR TRADE ASSOCIATION

By

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F O R E W O R D

Information on business opportunities which helps to match enterprises is one of the most important services that entrepreneurs expect from chambers of commerce and trade associations. If they cannot meet this demand, chambers and associations will fall behind and lose their major function as a promoter of trade and industry.

In the era of globalised commerce, business matching and provision of adequate information that facilitates such linkage building has become more demanding since markets have grown in scope and because time is in short supply.

How to be successful in business matching? The Manual on "Setting Up a Business Matching Service" is a resourceful and methodical guidebook for chambers and trade associations to enhance their knowledge and skill in bringing enterprises together.

The specific value of the manual lies in its presentation of a string of services that chambers and associations can render at different levels of their development. Basic trade enquiry services are covered and the more demanding computerised business matching system is also included in the manual. The addition of forms and checklists and the description of procedures provide for safe passage. The experienced author, Mr Wong Chin Yeow also points at common problems of business matching and gives a helping hand to find solutions in such cases. Mr Wong correctly points to two significant requirements for a successful business matching service: commitment of board and staff and effective marketing of the service to attract users.

With this manual, the ZDH Partnership Program continues its drive to publish documents that will assist chambers and trade associations to help business to grow.

We wish the manual many readers!

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Regional Coordinator
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CHAPTER ONE

Introduction

Companies join chambers of commerce and industry and trade associations[1] to receive information on business opportunities. Foreign businessmen visit chambers to seek information on the business environment in a country and to search for potential business partners. Thus, business matching is a core competency of the chambers. Unfortunately, many chambers do not yet provide the full range of business matching services due to the lack of know-how, financial resources and professional manpower.

This manual seeks to provide the know-how on how to operate an effective business matching service. Drawing on the experiences of a number of chambers in the Asia Pacific region, the manual is a practical step-by-step guide with numerous real-life examples. The manual will also serve as basic reading for a course to train the staff of chambers on business matching.

Aims of the Manual

This manual provides the reader with:

(1) An overview of the business matching activities undertaken by chambers

(2) The resources needed for creating a successful business matching service

(3) Steps, procedures and documentation for business matching activities

(4) Pitfalls to avoid and solutions to common problems

[1] For the following chapters, we will use a generic term 'chambers' to denote both chambers of commerce and industry and trade associations.

CHAPTER TWO

Spectrum of Business Relationships

The main purpose of any business matching activity of the chamber is to create business relationships between two or more parties. One of the parties will be a member while the other party can be a non-member or a foreign company.

The chamber usually only provides an introduction and facilitating service for the two parties. It is not involved in the business negotiations between the parties. As an intermediary in the matching process, the chamber cannot guarantee success. However, the chamber can play a constructive role by ensuring that sufficient information and support is available to both parties for the development of the relationship.

To play the role of an introducer and facilitator, the chamber staff must understand the spectrum of business relationships. They can range from simple agency to mergers and acquisitions.

Types of Business Relationship

- Agency
- Distributor
- Supplier partnership
- Joint Marketing
- Licensing
- Contract Manufacturing
- Original Equipment Manufacturer (OEM)
- Private labels
- Franchise
- Joint research and development
- Equity participation
- Joint venture
- Mergers and acquisition

Most foreign enquirers usually come to the chamber to search for local companies to act as agents for their products or services. **An agency** is basically an agreement in which a company or an individual acts on behalf of another to perform certain specific services like marketing, customer support and product sales.

Another popular business matching activity is the identification of potential distributors. A **distributor** is an individual or a company that has the rights (sometimes exclusive) to sell goods or offer services on behalf of a producer in a particular market or geographical areas. The distributor imports directly from the exporter.

Local companies tend to come to the chamber to look for suppliers to create **supplier partnerships.** In this form of relationship, a customer forms a collaborative relationship with the supplier for a project or for a specific purchase agreement. The partnership calls for the sharing of information and commitment from both parties.

Joint marketing occurs when two or more parties enter into an agreement to share marketing expertise and conduct joint marketing in the host or third country market.

Licensing arrangement is given when a company with a well-known product or technology allows the licensee to manufacture the product, usually for a country or region. The licensing company collects royalties based on a fixed sum or the quantity produced.

Under **contract manufacturing**, a contract manufacturer manufactures a product or component for another company (the principal). The contract manufacturer provides labour, production capacity and some technical expertise. Marketing and distribution are controlled by the principal. The contract is usually for a fixed duration of time and can be terminated.

An **original equipment manufacturer (OEM)** produces products or components for another manufacturer who resells the products or components to the end users under its own brand name. In the case of **private label**, the brand stands for the name of the distributor or retailer rather than the manufacturer. This practice is common in the garment sector.

Franchising is an arrangement where a party which has developed a proven way of running and managing a business successfully, licenses another party the rights to operate that business format under the trade or service mark(s) or trade name(s) of the first party. The business arrangement involves a formal legal contract between the two parties.

In some business relationships, one party purchases equity shares in another company due to strategic reasons e.g. a principal may purchase shares in a supplier. This type of business relationship is **called equity participation**. Equity participation usually does not result in a management takeover, although the company would be represented on the board of directors.

Under a **joint venture**, a contractual relationship is established between two or more companies to carry out a specific business or project. Joint ventures are often proposed in order to enter an industry for which the company has some, but not all, the critical capabilities. This creates scope for synergy. For example, a company may have the technology but lacks the distribution networks. The company may enter into a joint venture with a distributor.

Merger takes place when the assets and liabilities of one company are combined with the assets and liabilities of another company. If a merger is between two companies in the same line of business, we have a horizontal merger. If the merger is between two companies in the same business but participating in different stages of the value chain, a vertical merger develops. Finally, if the merger is between two companies in different businesses, it is known as a conglomerate merger.

CHAPTER THREE

Business Matching Services

3.1 Types of Business Matching Services

There are various types of business matching services. Figure 3.1 provides a graphical representation of the business matching services listed according to the amount of resources required. Information services on trade and business opportunities are easiest to implement and can be provided by most chambers. Joint ventures, business collaboration, mergers and acquisitions require a high level of expertise (legal, financial and technical) and resources, and are beyond the scope of the chamber.

Figure 3.1

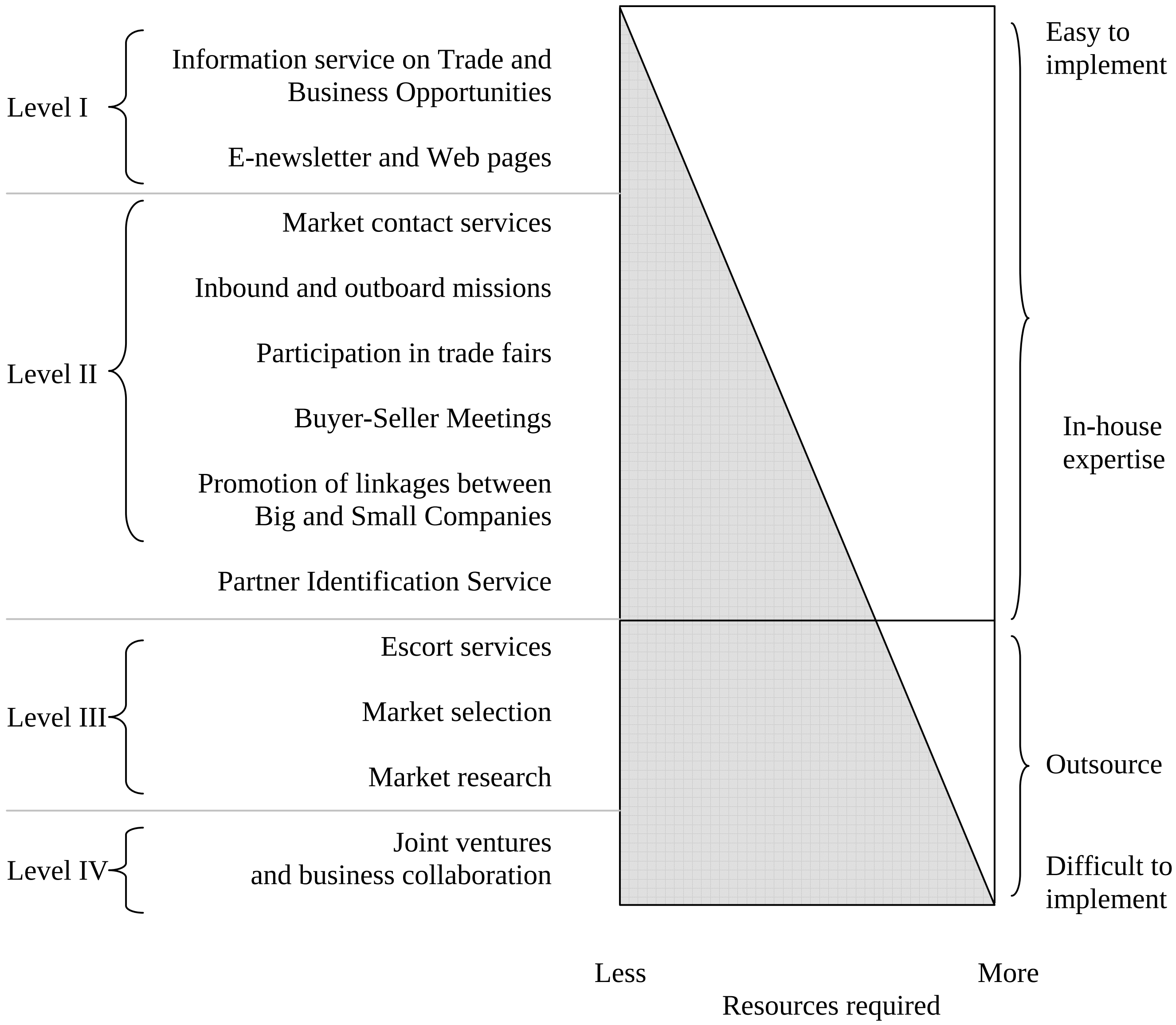

Figure 3.1: Types of business matching services by resource requirement

As highlighted in Figure 3.1, the less resource intensive activities can be provided using in-house expertise, while the more resource intensive activities should be outsourced to a third party.

For the purpose of this manual, we have included trade enquiries as one of the business matching services. Although technically, a trade enquiry service is an informational rather than a matching service, it is an essential part of business matching because unless companies are informed of the opportunities, matching cannot take place.

Another reason for including trade enquiry services as a form of business matching service is that most chambers only provide this service.

3.2 Levels of Business Matching Services

Business matching services can be grouped into four major categories or levels. The simplest services are grouped under Level I, and the sophistication of the services rises with each level. This taxonomy provides the chamber with an overview of what services should be provided, given its limited resources.

Level I - Information Service on Trade and Business Opportunities

Information services on trade and business opportunities are easiest to manage. They provide an initial contact point for potential businessmen. The value added is usually low, as the information tends to be general, comprising basic corporate information such as the name of a company, contact person, address, telephone number and fax. These services are usually provided free of charge for members of the chamber.

- **Trade enquiry service –** enquirers walk-in, telephone, fax or e-mail their request to the chamber and the chamber provides a list of potential contacts to the enquirer. In some cases, the chamber may also arrange appointments for the walk-in visitor.

- **Trade Information Service –** the chamber publishes a newsletter or magazine containing a list of business enquiries for members. The newsletter contains the name of the enquirer, address, telephone, fax, e-mail, contact persons and the product of interest (See Appendix VI). In some cases, a short write-up and photographs of the product is included (see Appendix VII). The TIS may be published either fortnightly or monthly.

- **E-newsletter** - With the growing popularity of the Internet, a number of chambers and trade promotion bodies have started to publish e-newsletters (details are provided in chapter seven). E-newsletters may be published weekly.

- **Web pages –** Many chambers provide a trade enquiry service over the Internet as part of the chamber web site. Web visitors can view a list a business opportunities and leave their contact details on the web pages.

Level II - Contact Based Services

Level II services require organisational, research and analytical abilities. The value added of the services is greater than at Level I since the information is more specific and customised to the needs of the user. The services include the following:

- **Market Contact Services** - help the client to identify key market contacts specific to the client's needs and to verify the contact details. A brief description of each contact is provided. This service requires 15 to 25 hours of research time as the chamber staff has to do some initial desk research and to visit the market contacts.

- **Outbound Business Missions** – the chamber organises a mission to a specific country or group of countries, with the aim of exposing members to actual market conditions. During the mission, the members participate in one-to-one business meetings that are pre-arranged ahead.

- **Inbound Business Missions –** similar to outbound missions except that the mission members come from another country. Again, one-to-one meetings are arranged to facilitate initial contact or to negotiate deals.

- **Participation in Trade Fairs and Exhibitions –** the chambers organises a group of members to participate in a trade fair or an exhibition to help members to establish contacts with potential buyers and sellers. During the fair, the members may participate in one-to-one business meetings with potential buyers and sellers.

- **Partner Identification Service** - provides the client with details of potential partners and market representatives; and with an assessment of their interests in the client's business and recommendations for action. This service builds on the market contact service and adds further value by providing an action plan. The service requires about 40 to 50 hours of desk research and fieldwork.

  An example is the Agent/Distributor Service (ADS) of the US International Trade Administration. This is a fee-based service that locates foreign import agents and distributors. ADS provides a customised search overseas for interested and qualified foreign representatives on behalf of an importer. The client is usually given a report identifying up to six foreign prospects.

- **Escort Service –** is a total package service that provides the client with details of potential partners and arranges for business meetings. In some cases, the chamber or trade promotion organisation also provide translation and interpretation services during the meetings, and secretarial support.

  An example is the Gold Key Service of the US International Trade Administration. The service provides customised information for American firms visiting a country, market orientation briefings, one-to-one business meetings, an interpreter for the meetings, assistance in developing a market strategy and a follow-up plan. A trade officer designs an agenda of the meetings, screens and selects the right companies and arranges meetings with key persons of the selected companies.

- **Buyer-Seller Meetings –** This is an efficient and low-cost method to foster business matching between buyers and sellers. A variation of this type of arrangement is the Entrepreneurs' Meeting.[2] A Buyer-Seller Meeting is basically a special session organised by the chamber for buyers to meet for "face-to-face" discussions with potential sellers. Buyers-sellers meetings can be organised at the local, national or international level. A useful checklist for planning, organising and implementing buyer-seller meetings can be found in the manual on "Income from Services" by Dr Torsten Schuhmacher[3]. Like all business matching services, the chamber must ensure that the buyers and sellers are properly selected and qualified, based on each other's business needs.

- **Promotion of linkages between big and small companies –** under this service, the chamber organises regular business meetings between the large and smaller member companies. During the meeting, one or two large companies present their procurement needs, inviting the smaller companies to supply the required items. Some chambers also invite the government Central Supply Office to present their procurement needs to the members. An example of a formal programme to promote linkages between big and small companies is currently operated by the Indonesia Chamber of Commerce and Industry of West Java (KADIN Jawa Barat), together with a provincial government agency.

  Another method of promoting linkages between the big and small companies is to create a Subcontract Exchange. Subcontractors are invited to register with this exchange and they are matched with potential clients. Subcontract exchanges may be operated by government agencies (e.g. the Small Industries Service Institute in Madras, India), international organisations (e.g. UNIDO's Subcontracting and Partnership Exchange) or chambers and associations (e.g. Tamil Nadu Small and Tiny Industries Association).

Level III - Research Based Services

Level III services involves market research and consultancy. The services allow the client to develop a thorough understanding of the market conditions prior to entering any business relationship. This will help to minimise the risk of failure. Most clients are prepared to pay for such information, as the cost of failure is much higher. Given the limited expertise in the chamber, Level III services are usually outsourced to private consultancy firms. The chamber receives a referral or administration fee from the consultancy firm. The following are the Level III services:

- Market Selection - under this service, the BIC will provide the client with information on market demand and possible market entry barriers affecting the product.

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[2] Dr Torsten Schuhmacher, **Income from Services**, p.65

[3] Ibid, pp. 65-68

- Market Research - the research helps the client to understand the operations of the target market, the expected competition, prices of similar products, promotion and distribution.

Level IV - Joint Ventures and Business Collaboration

This form of business matching is usually not within the scope or capability of the chambers as it involves months of detailed negotiations and a large amount of legal work. Such matching is best left to the professional consultancy firms specialising in mergers and acquisitions. These companies charge a fee for performing such a service. However, the chamber may request for a referral fee.

CHAPTER FOUR

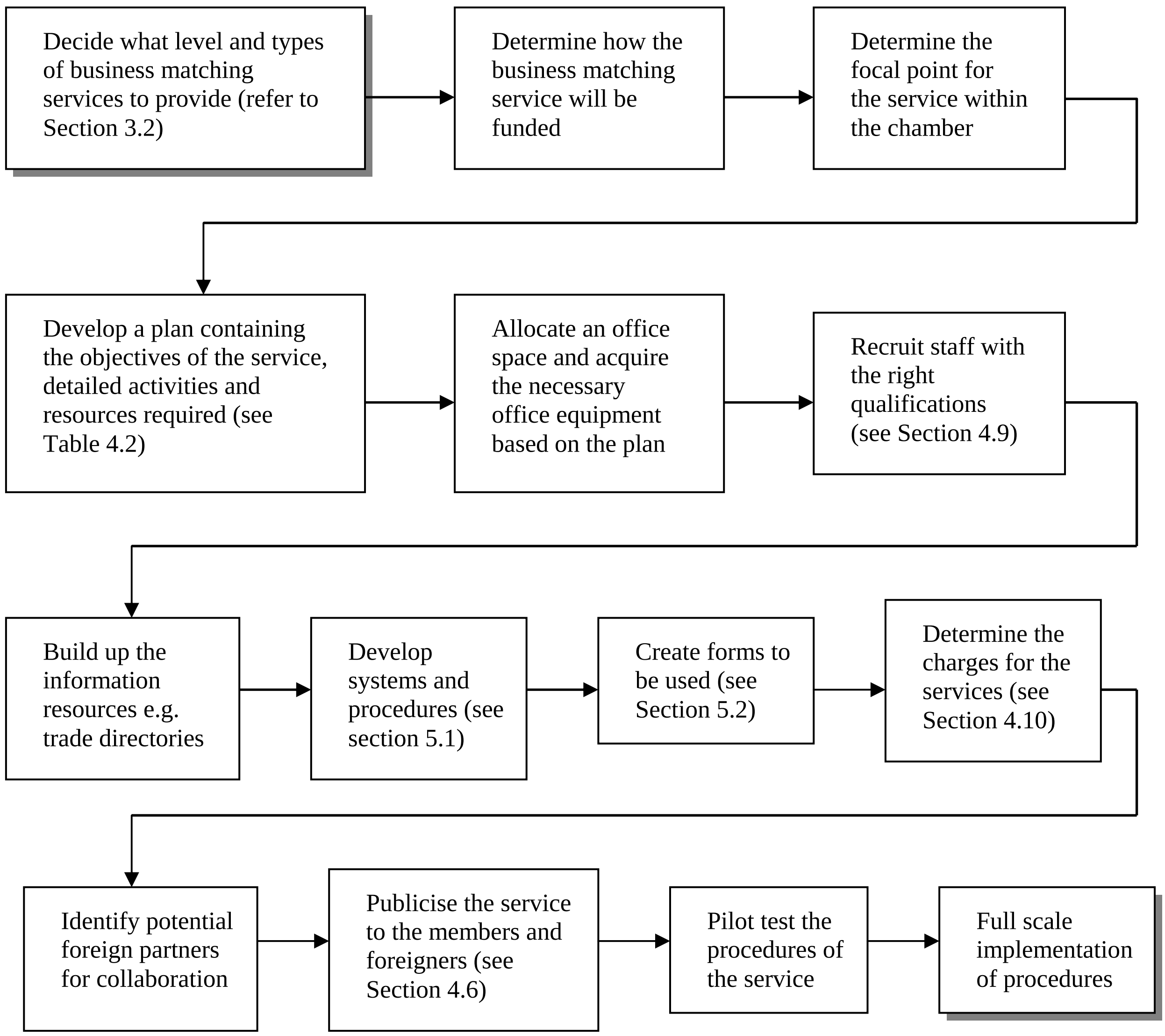
Developing a Business Matching Service

4.1 Commitment of the Board

The steps outlined in the subsequent sections assume that the service has the full support of the Board. If the Board or top management of the chamber does not support the service, it will not work. The first step in developing the service is therefore, to sell the idea to the Board and get the commitment of the board members (if the idea does not originate from the Board itself). This includes explaining how the business matching service will benefit the chamber and the spin-off of such a service on membership growth and income.

4.2 Key Actions for Developing a Business Matching Service

In developing a business matching service, the following steps should be considered as a guide:



For most chambers, the business matching activities is usually located either in the Business Information Centre or the Trade Information Centre.

Since most chambers only provide basic business matching services, this manual will only examine the operational details of the following services:

- Trade enquiry service (including individual searches, arranging business appointments for walk-in visitors and assistance for enquiries)
- Outbound mission
- Inbound mission
- Participation in trade fairs and exhibitions
- Promoting linkage between big and small companies
- Business partner identification service

4.3 Trade Enquiry Service

Most chambers in Asia provide trade enquiry services. However, the scope and range of activities included in this service varies from chamber to chamber. The common activities are:

- Assistance on enquiries for companies, products, tenders and trade information
- Individual searches for companies and their products
- Compilation of company and product listings
- Arranging for one-to-one meetings for visitors on request
- Publishing a trade information services newsletter

Except for the publication of newsletters, all the above activities involve broadly similar operational details as provided in Figure 4.1. The diagram is self-explanatory and the manual only highlights some of the crucial issues involved in some of the steps.

The first step is to collect the **company profile of the members**. For the purpose of the trade enquiry service, the following basic information is necessary:

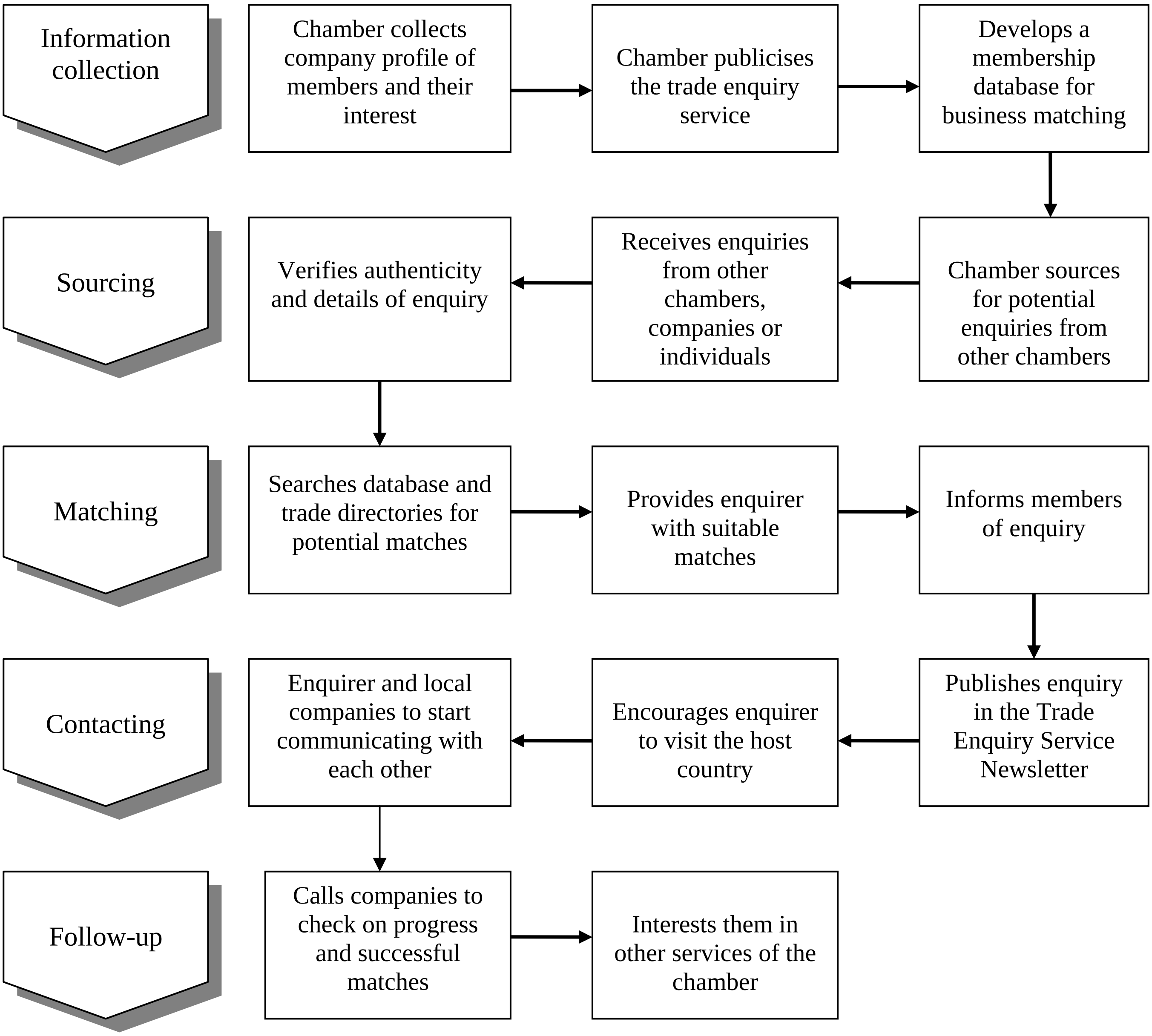
- Name of company
- Postal address (office and factory)
- Telephone number
- Fax number
- E-mail
- Home page URL (web site)
- Name of owner/chief executive officer and designation
- Name of contact person and designation
- Business registration number
- Date of establishment

- Legal business structure (sole proprietor, partnership, private company, public company, state-owned enterprise, co-operative and others)
- Ownership (wholly local, majority local, majority foreign, wholly foreign)
- Number of employees
- Products
- Line of business (manufacturer, distributor, importer, exporter, wholesaler, retailer, contractor, consultant, purchasing agent, marketing agent)
- Major markets

Most of the above information are usually available from the membership application form. This should be the starting point. If some of the information is not currently available, the membership application could be amended to collect the additional information.

Figure 4.1

Block diagram for a Trade Enquiry Service



Special attention should be given to the products and line of business. Many companies in Asia are involved in multiple businesses. The company may be a manufacturer for one product and a distributor for another product. The traditional way of asking for products and line of business separately creates problems for business matching as it may be difficult to establish a one-to-one relationship. The solution is to create the following table in the data collection form:

S/No.	Product	Line of business*	Principal market

*Manufacturer, agent, distributor, importer, exporter, contractor, subcontractor, etc.

In the above table, the basis for a one-to-one relationship is created for product, line of business and principal market.

Another issue that often crops up at this stage is the type and scope of data to be collected. Some chambers request for information on turnover or annual sales, profitability, fixed assets and other financial data. These data are usually sensitive business information and very few companies would like to divulge such information unless they are public listed. The information is also time-sensitive because it changes annually and may vary substantially from year to year. For such information to retain its value, it must be updated annually. Due to the above two constraints, **it is recommended that these data be omitted from the initial data collection process**.

There is also a need to ask the enquirer to be specific in his search requests. If the enquiry is too general, it will result in too many matches. In such cases, it is important to refer the enquiry back to the originator and ask the person to provide more specific details.

One step often omitted by chambers is to verify whether the enquiry is genuine. There have been cases of members being cheated by non bona-fide businessmen. The chamber cannot be held accountable for such unfortunate incidents, but the chamber does have a responsibility to verify the identity of the enquirer when in doubt.

To verify the identity of the enquirer, the following actions should be taken:

- Refer the enquiry to a foreign chamber or embassy to verify the status of the enquirer.
- Check a foreign trade directory to verify the status of the enquirer. If the enquirer is not listed in the directory of his country, there is a case for reasonable doubt.
- Use Dun and Bradstreet database to assess the credit risk of the enquirer. This can be expensive and the cost should be borne by the member.
- Keep a file of companies known for fraudulent practices. Most of the information is available from newspaper or from information supplied by the members.

The quality of a business matching service depends to a large extent on the number of **quality contacts** provided to the enquirer. Where the members cannot be matched to the enquirer's needs from the data available in the chamber, the chamber should provide other contacts. To achieve the above, the business enquiry service must have ready access to a wide range of databases[4].

The following are the basic requirements for success in Trade Enquiry Services:

- A good membership database
- A collection of local business directories published by the chamber and other organisations
- Local yellow pages or telephone books
- A collection of foreign trade directories and yellow pages

Another issue is the dissemination of enquiry information. Most chambers inform members of the enquiries through their trade information services newsletter. Since the newsletter is usually published monthly, the information is outdated when it reaches the members. This problem can be corrected by issuing an electronic newsletter.

A related issue is informing members individually of the enquiry. Most chambers do not provide such services, as it is very time consuming. If this is not done, the members may be surprised to receive an enquiry from a foreign company telling them of the chamber's recommendation. One solution is to introduce a computerised business matching service where the member is informed automatically by fax or e-mail when an enquiry is received (see Chapter Six).

The last major issue to consider is follow-up. Follow-up is necessary to close the entire loop in the trade enquiry service cycle. Through good follow-up, the chamber is kept informed of what happens to the enquiry and whether it was successful or not. How to do follow-up? Most chambers and trade promotion organisations telephone the enquirer or the member. Follow-up also gives the chamber an opportunity to sell chamber membership and other services; in addition it creates a professional image.

4.4 Outbound Mission Business Matching

Outbound missions complement the trade enquiry service. Such missions provide the member with a first-hand opportunity to understand the overseas market. It also effective as the member can meet the potential partners face-to-face during the one-to-one meeting. In some cases, the members can also visit the factory of the potential partner to make further assessment.

The steps in operating an outbound mission business matching service are given in Figure 4.2.

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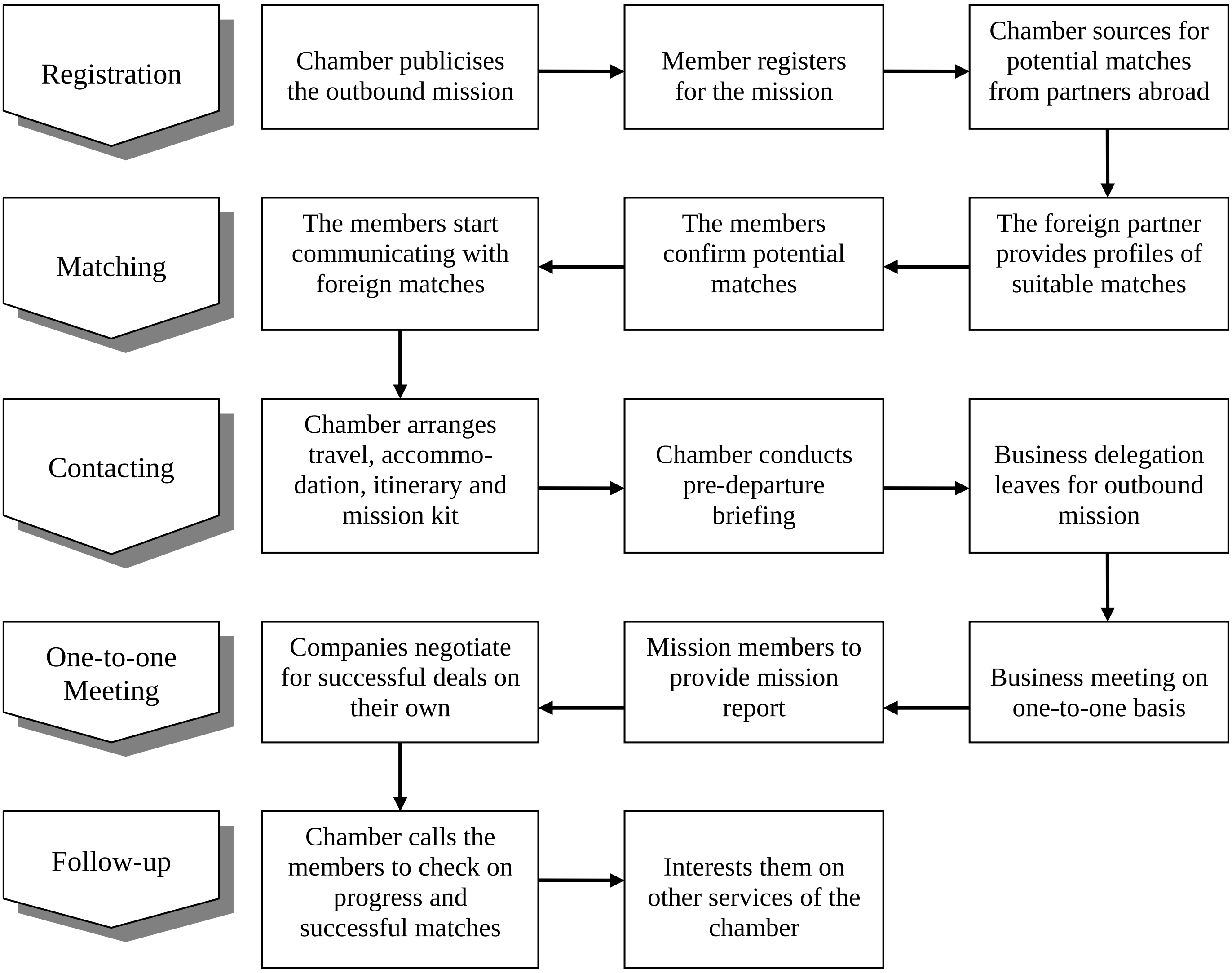
[4] A comprehensive list of commercial databases for trade promotion is available in the following publication: **International Trade Centre, Selected Commercial Databases for Trade Promotion**, Technical Paper, 1998.

Figure 4.2

Block Diagram for an Outbound Mission Business Matching



Most of the points covered in the trade enquiry service also apply to the outbound mission business matching. In the case of an outbound mission, there are additional factors to consider for success.

Firstly, sufficient lead-time must be given to the members for an outbound mission. The mission members must provide sufficient information about the nature of their business and their business interests. At the same time, the names of possible matches should be given at least one month ahead of the departure date so that the members can confirm their interest and start to correspond with the potential partners. Once the potential partners are confirmed, one-to-one meetings should be arranged and this should be finalised before the departure of the mission.

Another important factor to remember is to provide a thorough pre-departure briefing. Such briefing should cover not only the itinerary but also the economic, political and social profile of the country of visit. In addition, members must be briefed on how to do business in the country, the business customs and etiquette, and on how to maximise the time in a one-to-one meeting.

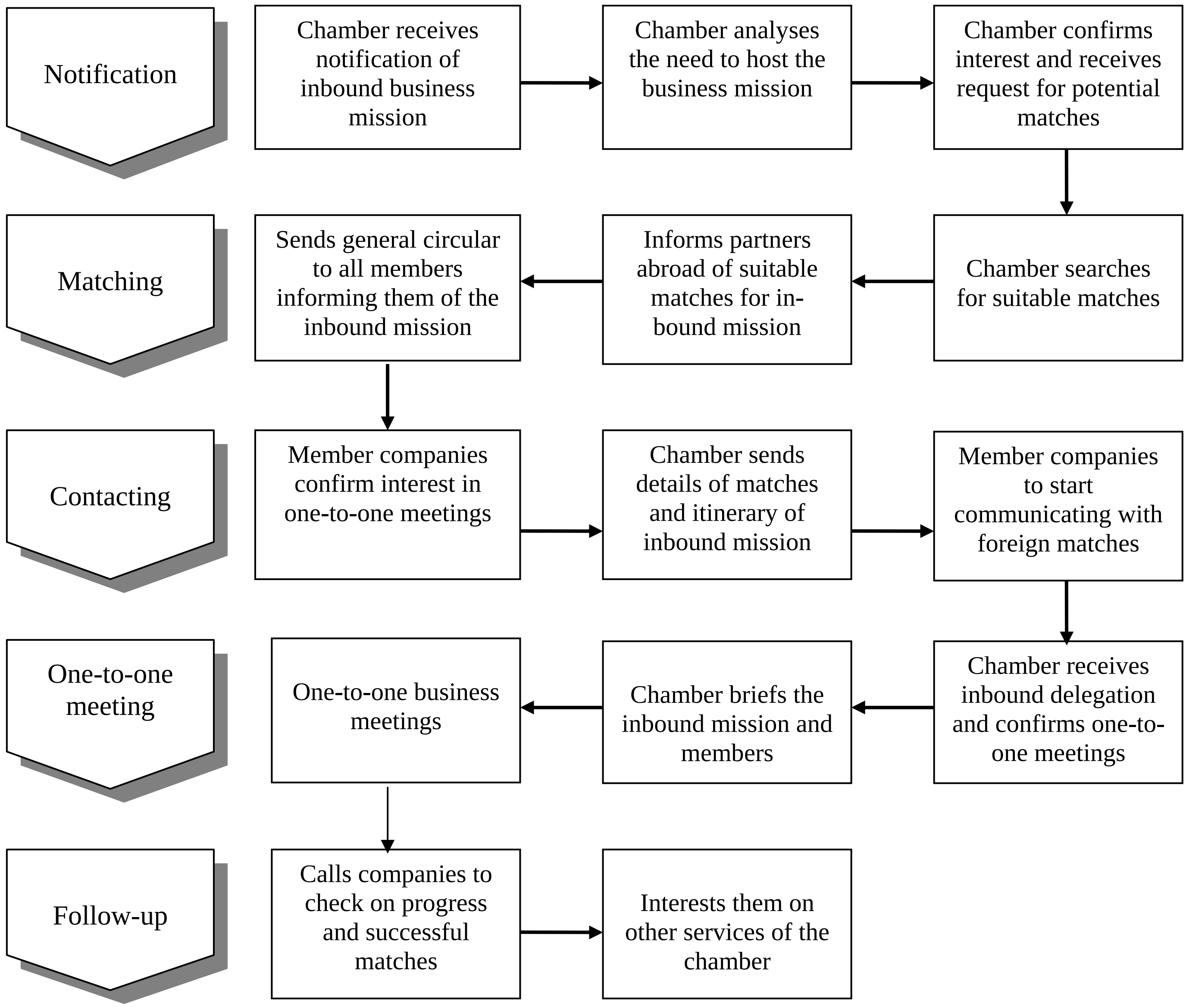
Outbound business missions provide an ideal opportunity for the chambers to collect information and directories for the library. The directories are also useful for the trade enquiry service. Do plan what materials should be collected.

4.5 Inbound Mission Business Matching

Inbound missions are broadly similar to outbound missions except that the chamber is on the receiving end and the potential partners will be visiting the host country. The steps for organising an inbound mission business matching are given in Figure 4.3.

Figure 4.3

Block Diagram for an Inbound Mission Business Matching



Again the chamber must ensure that sufficient lead-time is given to the members to prepare for one-to-one meetings. In some cases, time must be allocated for factory visits. Avoid asking members to attend meetings at the last minute as it may be a waste of time for both the mission members and the member companies.

Similar to the outbound mission, the one-to-one meetings should be arranged prior to the departure of the mission to the host country. Members should be encouraged to correspond with the potential partners early so that the right brochures and materials are brought during the mission.

Do not spend too much time on general issues when briefing the inbound mission on the business environment. More time should be provided for one-to-one meetings. Do organise social gatherings for the members to meet the mission. All members will have to be invited but do ensure that the purpose and composition of the mission are clearly explained in a circular so that only the right members attend.

Finally, inbound missions can be a useful source of information. Do write to the inbound mission organiser to bring along trade directories, country reports and other business material that can be kept by the library and trade enquiry service.

4.6 Participation in Trade Fairs and Exhibitions

Trade fairs and exhibitions are one of the best sources of information on potential suppliers and competitors. Many chambers organise outbound missions to coincide with a major international trade fair. The steps for organising an outbound mission have already been covered in Section 4.4. However, there are additional factors to consider in participating in a trade fair or exhibition as part of the business matching process.

Special attention must be given to the selection of the appropriate trade fair to be visited. The trade fair should be selected using the following criteria:

- Number of expected visitors and their profile
- Number of booths and the profile of the exhibitors
- Theme of the exhibition – a specialised fair is preferred to a general fair
- Past track record of the fair e.g. the value of transaction achieved by participants, the number of visitors
- Experience of members in participating in a fair of similar nature and theme
- The reputation and track record of the exhibition organiser

Compared with outbound missions, longer lead-time must be provided when organising participation in trade fairs as a good trade fair usually attracts a large number of visitors, resulting in a shortage of hotel rooms. Advance booking of hotel rooms is needed.

Some chambers organise trade fairs and exhibitions to create business opportunities for their members and to generate income. The steps and methodology for organising a trade fair will be examined in a separate manual to be developed by the ZDH

Partnership Program. For the purpose of business matching, the fair organiser should allocate rooms for one-to-one business meetings in the exhibition hall. The chamber should set up a booth to receive trade and business enquiries, and match the enquirer with members immediately. To generate revenue, the chamber may sell its business directories and other useful publications during the trade fair.

4.7 Promoting Linkages between Big and Small Companies

Promoting greater linkages between the large local companies and the small and medium enterprises is becoming an important objective of many chambers in Asia. Such linkages are usually facilitated by arranging for business meetings between the executives of the large companies and their counterparts in the small and medium enterprises. During the meeting, the larger companies or government Central Supply Office will present a list of the products or components, which they currently procure or will be procuring over the next six months. Smaller companies are invited to submit quotations for the products or components.

To ensure maximum effectiveness, such meetings should be planned and publicised early. They should be organised on a regular basis and the big companies should be requested to make annual presentations.

To complement the business meetings, some chambers establish subcontract exchanges. A subcontract exchange is a technical information, promotion and business matching centre for industrial subcontracting and partnership between main contractors, suppliers and subcontractors. As part of the business matching service of the subcontract exchange, the small and medium enterprises are invited to register their profiles and business interests on a standard form and these are entered into a subcontract database. The larger companies are invited to search the database for potential suppliers or partners.

Other core functions of a subcontract exchange are:

- Collecting data on the production capabilities and capacities of small and medium enterprises for the purpose of subcontracting;
- Identifying subcontracting and business opportunities from larger enterprises;
- Providing small and medium enterprises with information on subcontracting and business opportunities;
- Assisting subcontractors in negotiating agreements with the larger enterprises; and
- Providing technical and management information (e.g. quality standards and certification, product design, technology, management information systems, government incentives, financial facilities, taxation, etc.)

Chambers setting up a subcontracting exchange may wish to tap on the technical expertise of the Subcontracting and Partnership Exchanges (SPX) programme of the United Nations Industrial Development Organisation (UNIDO).[5]

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[5] More information is available on the web site of the UNIDO SPX programme (http://www.unido.org/ssites/spx/spx/)

The success of a subcontract exchange depends on the following factors:

- Proactive marketing of the services of the subcontract exchange and how the big companies can benefit from its services
- A comprehensive database that captures a large number of potential suppliers and subcontractors
- Qualifying the list of applications so that only good and reliable subcontractors are retained in the database
- Organising regular meetings to create trust between the subcontractors and the larger enterprises to understand their requirements and concerns.

4.8 Business Partner Identification Service

This is a value-added service, based on the experience of a number of chambers and trade promotion organisations. Unlike the trade enquiry service that provides mainly contact information, a business partner identification service provides the client with details of potential partners and market representatives; and an assessment of their interests in the client's business and recommendations for action.

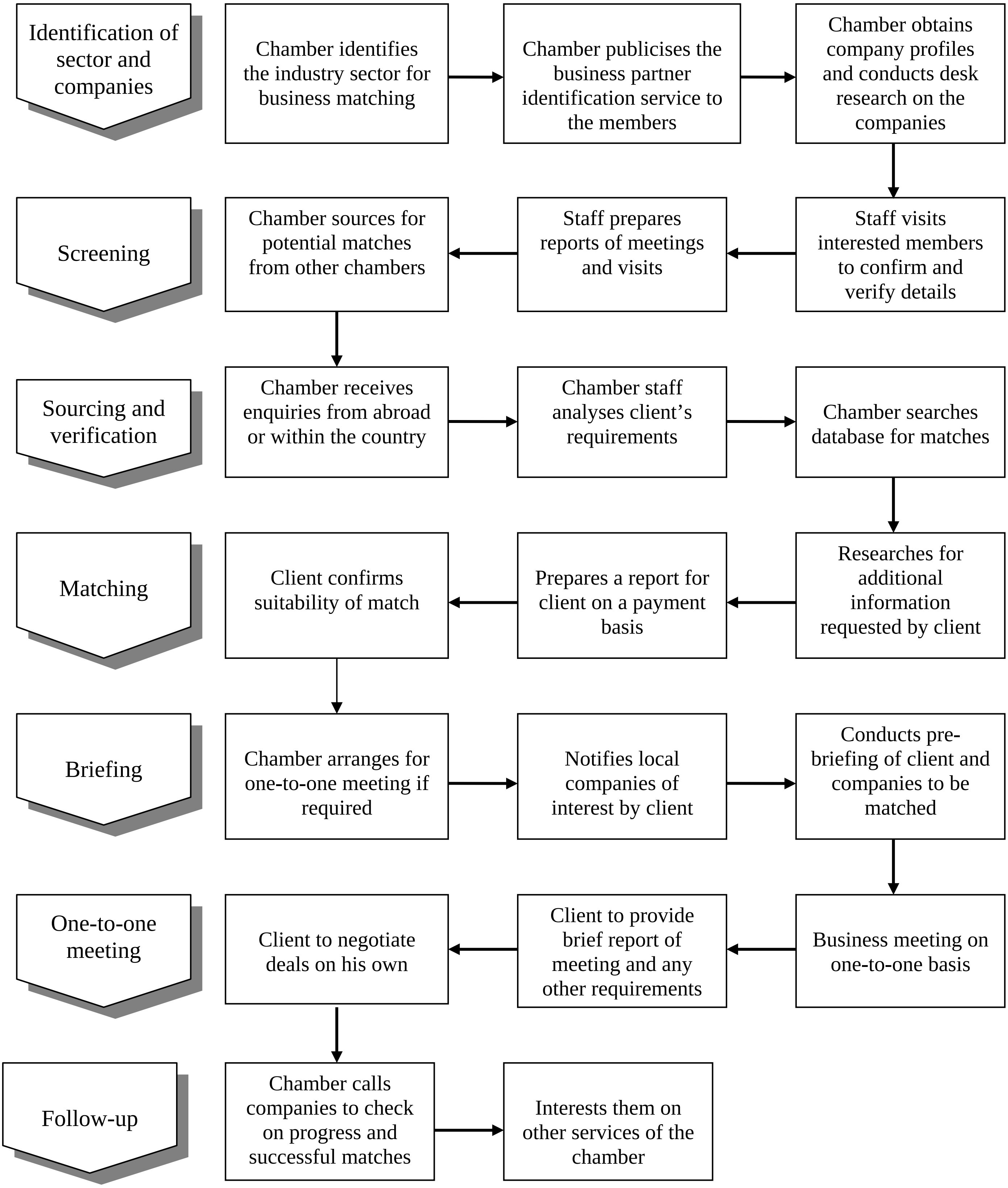
Chambers add value to this service by conducting an in-depth assessment of the company through desk research and factory visits. Information on potential competitors is also included.

As this service requires time and effort, the chamber has to choose the industrial sector for the business matching service since it does not have the resources to cover all sectors. Next, it has to identify the target group of companies suitable for the matching.

The steps in operating a business partner identification service are provided in Figure 4.4

Figure 4.4

Block Diagram for a Business Partner Identification Service



The service requires the chamber staff to have an in-depth knowledge of the target group of companies, developed through desk research and personal visits to the companies. Such in-depth knowledge includes:

- The exact nature of the business of the company
- The product range
- The competitive edge of the company in the business sector
- The positioning of the company in the sector
- The financial position of the company

Most of the information gathered through desk research must be confirmed by personal interviews and company visits. During the company visit, the staff would take the opportunity to confirm the profile submitted by the company and observe the following areas:

- Nature of its business (buyer, agent, distributor, contractor, subcontractor, manufacturer, etc.)
- Nature of its product
- Management capability and quality of leadership
- Technical/process capability
    - Product innovation
    - Process innovation
    - Research and development
- Personal attitudes
    - An atmosphere of harmony or dissatisfaction among the production workers
    - The degree of interest in customer service on the part of supervisory staff
    - The degree of commitment and interest in getting things done
    - The effective use of manpower
- Adequacy and care of production equipment
    - Modern or antiquated
    - Accurately maintained or obviously unserviced
    - Sufficient capacity to produce the quantities desired
- Housekeeping and observance of safety rules

It must be stressed that this is not an audit, and a formal questionnaire is not desirable. The staff would have to find out the information through interviews and observations.

Another important aspect of the service is to provide a report to the client and brief the client individually on the possible matches.

4.9 Human resource requirements

The success and quality of any business matching service depends on the capability of the staff manning the desk as human resources are the main input in any business matching service. Therefore, it is vital that the service be properly staffed with persons of the right calibre and experience. In addition, there is also a need to train the staff on business matching procedures, information search processes and handling enquiries. For market contact and partner identification services, the chamber staff must be trained on how to conduct field visits and company assessment.

Many chambers neglect these important aspects. In some chambers, the position is considered a clerical function whereby the staff spends time providing a contact list. In others, the position is a public relations one where the visitor is given only superficial assistance due to the ignorance of the staff. If the chamber intends to add more value to the service and charge the members for it, the right person must be recruited for the job.

To assist in recruiting the right person, a job description is required. The job description can also be used as the basis for an employment contract, job evaluation and to determine training needs. A sample job description is provided in Table 4.1.

Table 4.1

A Sample Job Description for a Trade Information Officer

Job Description	
Job title: Trade Information Officer	**Date**:
Division/Department: Business Information Centre	**Location**: Headquarters
Reporting relationship: Head, Business Information Centre	
Summary of duties and responsibilities: Responsible for the smooth operation of the trade enquiry and business matching service of the chamber. The duties of the job includes sourcing for business contacts, acquiring business directories, responding to trade enquiries, searching for matches to such enquiries, arranging for business meetings and maintaining the membership database.	

Primary duties and responsibilities: 1. Analyse and match business enquiries 2. Screen through all trade enquiries 3. Conduct desk research 4. Conduct factory visits 5. Maintain and update the membership database 6. Maintain an open file of enquiries to be kept in the library 7. Publish the trade information services newsletter 8. Update the web pages on the business enquiries (if needed) 9. Arrange for one-to-one business meetings 10. Arrange for inbound business matching missions 11. Arrange for outbound business matching missions 12. Follow-up on enquiries through the telephone, fax or e-mail
Education, prior work experience, and specialised skills and knowledge: 1. At least tertiary education 2. Some working experience and ability to conduct desk research and interviews with clients and companies 3. Able to interact with members to understand their business needs 4. Basic computer knowledge and ability to handle membership databases.
Physical environment/working conditions: Private office in the Business Information Centre.
Equipment/machinery used: Personal computer, membership database and business directories.
Others (e.g. customer contact or access to confidential information): Access to confidential information regarding members. Maintain contact with all enquirers.

4.10 Charging for business matching services

Ideally, it would be good to charge companies for the business matching services based on full cost recovery. In practice, it is more complicated. Experience of highly advanced trade information services in developing countries shows that the income generated rarely exceeds 20 per cent of total costs[6].

[6] Butterly, Thomas and Jocteur-Monrozier, Bertrand, **Approaches to Charging for Trade Information Services**, International Trade Centre, January 1999, p. 3

Methods of Pricing

Free services and membership subscription. Chambers collect membership subscription and most members do expect some free services in return. To accommodate this requirement, most chambers provide the trade enquiry services free of charge. Inbound mission business matching also falls into this category.

Partial cost recovery. Partial cost recovery takes place where the chamber recovers a portion of the costs associated with providing the service. In most cases, the income only covers the variable cost like postage, telephone calls and some administrative charges. Services falling into this category include the business partnership identification service.

Full cost recovery. In the case of outbound missions, the mission members are expected to defray the administrative cost for organising the mission. Usually, the mission members collectively pay for the cost of the mission secretary (a full time employee of the chamber). For market research services which are usually farmed out to a private consultancy firm, most chambers charge the full cost plus an administrative handling fee.

Variable rate. The fees are calculated based on the hourly rate and the billable hours or the daily rates and the billable days for each specific piece of work. This is often used for consultancy studies. Most clients do not like this method of charging as they are uncertain about the cost of the service and would prefer a lump sum.

Fixed fee. For most trade promotion organisations, a fixed fee is usually levied for the business partner identification services since the work involved does not vary significantly from client to client once the basic information is collected.

Moving to a Fee-based System

Introducing user charges should be gradual and planned, as there will be resistance from members to paying fees when they have been receiving free services.

Special effort must be made to convince members and potential clients that the services are value for money. In this respect, it is important that the services provided by the chamber should be of sufficient quality to justify any user charges.

The pricing of the services must also be realistic. It is not possible to move immediately to full cost recovery, even for value-added services. Related is a need to set realistic targets for income generation.

4.11 Marketing the business matching service

A professionally run service that is not well publicised, will not attract users. According to many experts, this is one of the major failings of many trade enquiry services of chambers[7].

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[7] Butterly, Thomas and Jocteur-Monrozier, Bertrand, **Approaches to Charging for Trade Information Services**, International Trade Centre, January 1999, p. 30

There are four main principles of marketing which are applicable to business matching services – product, price, promotion and place. Pricing has been discussed in Section 4.10. Promotion is the means of getting the message across, which is dependent on the target audience. There are two main target audiences:

- Members
- External enquirers

Promotion must be aggressive, well planned and targeted at the above audience. The common promotion methods for members are:

- Direct marketing via circulars to all members and placing inserts in the chamber's newsletter.

- A brochure can be produced to create more impact. The brochures should be professionally designed to create a brand for the service. In addition, the benefits of the business matching services should be clearly explained in bullet form.

- E-marketing of the services by mass broadcast methods.

- Organising informational seminars on business matching and making presentations at the general meetings of the chamber.

- Setting up an information desk at major investment forums organised by conference organisers, government agencies or the chamber. The desk will distribute brochures of the business matching service to source for potential users. Participants at the conference should be encouraged to leave their name cards at the desk and the chamber staff should take every opportunity to exchange name cards with the participants of the event.

- Organise mega-events like an investment forum and sell the business matching services at the forum.

- Participate in trade fairs and exhibitions. The chamber can take a booth to sell the business matching services. Usually in such events, other services of the chamber will also be promoted. The staff should collect name cards of the visitors and write to them personally after the fair to inform them of the business matching services.

- Find success stories and publicise these in the chamber newsletter or local newspaper. Success usually generates more successes.

To market the service to foreign companies, the service can:

- Write to all chambers abroad to inform them of the service. This should be done at least twice a year to create an impression.
- Work with selected partners abroad to offer the matching services. For example, the chamber may wish to work jointly with an embassy so that all enquiries received by the embassy are routed to the chamber. The chamber should also be put on the mailing list of other chambers for any possible business matches

- Place the business matching brochures at the embassies and trade missions abroad.
- Broadcasting of the business matching service through e-mail.

It is vital that the marketing be pro-active rather than reactive. The chamber should actively seek and source for potential matches and users, and provide them with solutions that are relevant to their needs.

4.12 Summary of Services

Table 4.2 provides a summary of the types of business matching services by detailed activities and resources required.

Table 4.2

Comparison of Various Chamber Business Matching Services

S/No	Services	Ojectives	Detailed activities	Fee	Resources required	
					Manpower	**Equipment**
1.	**Trade enquiry services**	To provide the initial contact and information for business matching for answering trade enquiries	• Conduct individual searches for business matches • Provide a list of contacts for the enquirer • Publish a trade information services newsletter • Broadcast e-newsletters to members informing them of business opportunities • Maintain a web page on business matching and business contacts • Maintain a database of members and enquirers	Free for the enquiry service and newsletter Sell trade directories, mailing lists or CD-ROM to generate income	**Minimum requirement** • 1 trade information officer • 1 clerk **Recommended** • 1 Department Head • 2 trade information officers (preferably multi-lingual) • 1 clerk	• Desks and chairs • Typewriters or computers • Good collection of directories and yellow pages • Facsimile machine • IDD telephones • Membership database • Photocopier
2.	**Outbound business matching mission**	To facilitate business matching by arranging for business contacts and one-to-one meetings in country of interest.	• Identify countries for outbound mission • Establish link with partners in countries (e.g. chambers, trade promotion organisations) • Recruit members for mission • Organise administrative details (e.g. travel arrangements, accommodation, one-to-one meetings) • Brief members before departure • Follow-up after mission	Members bear their own travel expenses. In addition, they will contribute to the cost of the mission secretary (travel and accommodation expenses)		

S/No	Services	Ojectives	Detailed activities	Fee	Resources required	
					Manpower	Equipment
3.	**Inbound business matching mission**	To match members with inbound trade missions	• Identify members for matching • Arrange for briefing of inbound mission • Arrange for one-to-one meeting • Follow-up on members	Free		
4.	**Business partner identification service and market contacts**	To identify business matches, verify contact details and make recommendations for action	• Identify members for matching • Conduct desk research and company visit • Prepare report for client	Usually a flat fee. If the request is complicated, it may be charged by the hour	• A team of two officers • One clerk	Same as above
5.	**Escort Service**	To provide a total package service which includes matching and arrangement of business meetings and other administrative details	• Identify members for matching • Conduct desk research and company visits • Prepare report for client • Brief client on the matches • Arrange for one-to-one meeting • Provide secretarial services to support the client	Chargeable. Fees are based on number of days	• A team of two officers • One secretary • One clerk	Same as above and business office facilities
6.	**Research-based services**	To provide clients with detailed research of the market and the contacts available.	• Market selection consultancy • Market knowledge consultancy	Consultant's fee plus a markup for administrative expenses	No specialised staff since the service is outsourced to external consultancy firms	

CHAPTER FIVE

Business Matching Procedures, Documentation and Records

Many organisations have standard operating procedures to guide employees on how to perform a task. Such operating procedures are especially useful for training new staff without the relevant experience. Standard operating procedures also ensure that the employee performs the task systematically and does not omit any important step.

5.1 Developing Business Enquiries and Matching Procedures

Since trade enquiry and business matching service are vital services of the chamber, **it is recommended that a standard procedure be developed to handle such enquiries**. To develop standard procedures for business matching, start by asking the following questions:

- Who and which department in the chamber is responsible for business matching and trade enquiries?
- Who is responsible for checking the authenticity of the enquiry?
- What method(s) will be used to authenticate the enquiry?
- Is it necessary to acknowledge the receipt of an enquiry?
- What is the maximum time allowed for answering any enquiry?
- What form(s) will be used to record the enquiry?
- Who maintains the completed form?
- Where are the forms stored?
- Where to search for information to respond to the enquiry?
- What method(s) would be used to communicate the information to interested parties?
- Who is responsible for follow-up of the enquiry?
- How should the follow-up be done? (e.g. through phone, personal visits, fax, etc)

5.2 Identifying the Activities in a Business Matching Process

- The above checklist provides an overview of the process, the documentation required, the persons involved and the time taken. After working out the overview, we need to identify the activities of the process.

An example of the activities in the business matching process is given in Figure 5.1.

Figure 5.1

Example of Procedures for a Trade Enquiry Service

Activity 1 -	Request the enquirer to fill up the Business Enquiry Form
Activity 2 -	Check the completed Business Enquiry Form
Activity 3 -	Are there any missing details? If YES, ask the enquirer to fill in the missing details. If NO, proceed to Activity 4.
Activity 4 -	Check the authenticity of the enquiry
Activity 5 -	If the enquiry is authentic, proceed to Activity 6, else terminate the enquiry by telling the enquirer that the chamber cannot help.
Activity 6 -	Study the enquiry and understand the requirements
Activity 7 -	If the requirements are not clearly spelt out, clarify the requirements with the enquirer. Else, proceed to Activity 8
Activity 8 -	Check the membership database for matches.
Activity 9 -	Does any member company match the requirements of the enquirer? If YES, proceed to Activity 10. If NO, tell the enquirer that there are no members that meet his requirement. Go to Activity 16.
Activity 10 -	Print the list of members and their profile for the enquirer
Activity 11 -	Ask whether the enquirer requires more details of the matches. If YES, proceed to Activity 12, else go to Activity 16.
Activity 12 -	Ask the enquirer whether he is prepared to pay for the additional information? If YES, proceed to Activity 13. If NO, go to Activity 16.
Activity 13 -	Proceed to search for the additional information and prepare report.
Activity 14 -	Prepare an invoice for the enquirer requesting payment.
Activity 15 -	Receive payment and issue a receipt.
Activity 16 -	Complete lower portion of the Business Enquiry Form.
Activity 17 -	File the completed Business Enquiry Form

5.3 Flowcharting the Procedures

A flowchart provides a visual representation of the process and indicates the sequence of the activities in the process. A good flowchart helps to identify unnecessary activities, duplication of effort and non-value added activities. In some cases, comparing a flowchart with the actual process activities highlights the areas where the rules or policies are unclear or are even being violated. Standard symbols used in flowcharting are shown in Annexe I. A flow chart of a business enquiry service is presented in Annexe II.

5.4 Documentation and Records

Forms must also be developed so that **proper records can be kept and maintained** by the chamber. A proper documentation system will provide continuity by making sure that all information are properly recorded and can be easily retrieved by any person.

The typical documents required for the business matching service are:

- registration or data collection form (for most chambers, this will be same as the membership form)
- trade/business enquiry form (see Annexe III)
- standard reply letters for enquiries (see Annexe IV)
- standard report for factory visit (see Annexe V)
- standard format for trade enquiry service newsletter (see Annexe VI)

The forms provided in the manual will have to be customised to the needs of the individual chamber.

5.5 Dissemination

To speed up the information dissemination process, it is proposed that the chamber sends the information to the interested companies directly by fax, telephone or e-mail on receipt of the enquiry. The information should also be published in the newsletter with the **date of receipt of enquiry** included.

CHAPTER SIX

Computerising Business Matching

6.1 Introduction

Presently, most chambers use manual systems for business matching and to respond to trade enquiries. When the number of enquiries received is fairly low, a manual system is suitable. As the number of enquiries increases, a computerised system will be needed to cope with additional work without hiring more staff.

Another reason for computerising business enquiries and matching is the Internet. As more chambers set up web sites to promote the interest of the chamber and members on the information superhighway, a manual system tends to result in duplication of work by requiring the staff to enter the information twice – on paper and on the web site. A computerised business matching system (BMS) eliminates such duplication by allowing the information on the BMS to be exported directly to the web page using hypertext markup language.

It must be stressed at this point that **computerised business matching should be implemented only after a good manual system with the proper procedures is in place**. Otherwise, the BMS will become a white elephant.

Secondly, in most chambers, a computerised business matching system is a module of the membership database management system (MDMS). This is logical since the basic information required for business matching are membership data. Sharing of data helps to eliminate the need to maintain multiple copies of the same information by different departments. Updating is also easier.

6.2 Advantages of a Computerised Business Matching System

The following are the benefits of a computerised business matching system:

(1) Reduction of routine clerical activity by automatic preparation of mailing lists, reply letters to enquirer, trade information newsletters, follow-up letters and management reports.

(2) Provision of accurate and up-to-date information to the enquirer

(3) Reduction of staff and accompanying costs

(4) A computer can easily cope with fluctuation in workload

(5) Rapid search for business matches

(6) Enables the information officer to devote more time for more important activities such as sourcing for business contacts, conducting research on member companies and visiting members to build up rapport.

(7) Improves job satisfaction for the officer as he or she is free from routine clerical work

(8) The information on the computerised business matching system can be easily exported to the chamber web page.

6.3 Essential features of a computerised business matching system

Configuration

A computerised business matching system should be able to run on a 166-Mhz Pentium I personal computer with 500MB of hard disk space and a printer (laserjet printer is recommended so that the letters that are generated have a professional appearance). Most of the systems are Windows-based.

Software

There is presently no standard business matching software. Most of the software are developed by the chambers and customised for their use. A standalone system is the norm, although a network system is preferable if the information in the database is to be shared with other departments in the chamber.

Files

Most business matching systems have two major files:

(1) Membership data master file. This contains the company profile of members, i.e. name of company, office and factory addresses, telephone, fax, e-mail, name of chief executive officer, name of contact person for business matching, product, line of business, legal structure of company, capital structure, ownership and other information. Membership information should be updated at least once a year using a survey form which is sent to all members.

(2) Enquirer file. This contains all the information of enquiries received by the chamber via telephone, fax, e-mail or walk-in. The information that is captured is similar to the one collected by the business enquiry form. The file will be used to generate reports for the trade information newsletter and to respond to any enquiries.

Operation Information

The files may be accessed at any time during the day by authorised operators of the system. Information on the visual display unit may be printed out for working copies. Information that is often retrieved includes:

- Details of members
- Name of enquirer
- Standard reply letter to enquiries
- Listing of matches for enquiry
- Letters to inform members of enquiries
- Number of enquiries received
- Number of enquiries matched

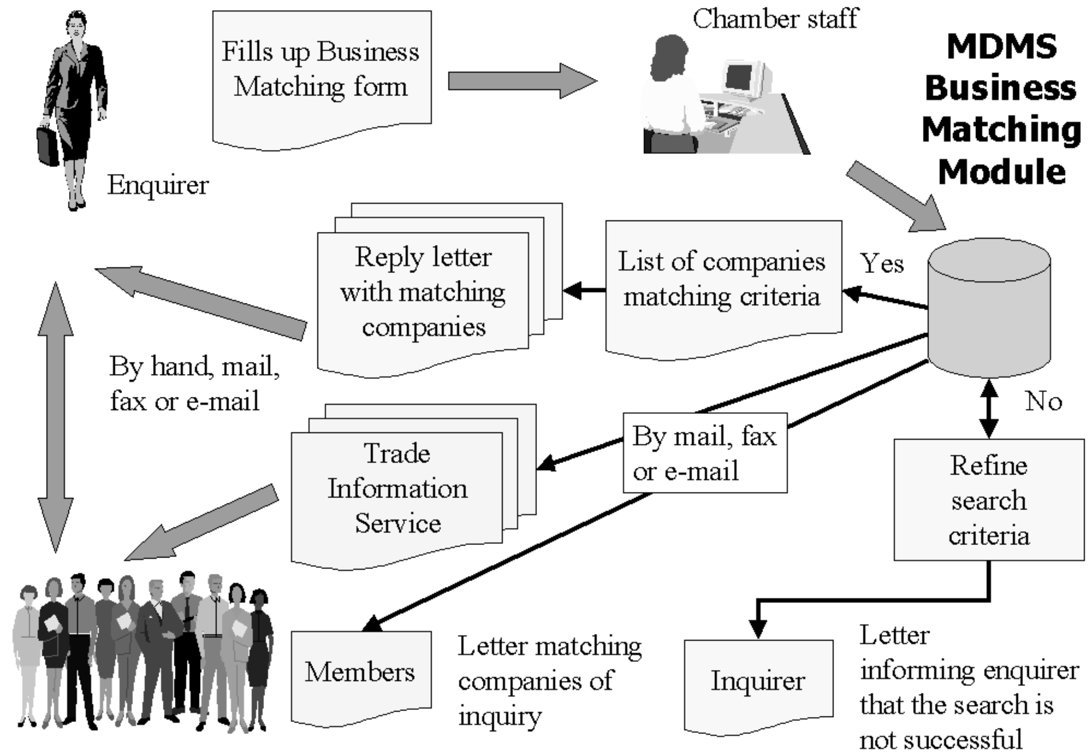
- Enquiries received by sector and line of business

6.4 A Typical Computerised Business Matching System

Figure 6.1 provides a schematic diagram of the operating procedures of a computerised business matching system:

Figure 6.1

Computerised Business Matching System



In a computerised business matching system, the first step is to get the enquirer to provide information using a standard business enquiry form (Annex I). Based on the form, data is entered into the system and captured by the enquiry file.

It is crucial that the computerised BMS is designed to detect incomplete forms and has built-in data validation capabilities in the form of error detection and error correction procedures. Error detection procedures include checking the data for appropriate format, checking for aberrations, checking for missing data, invalid data and inconsistent data.

After the complete enquiry form is keyed into the system, the operator automatically searches the membership database for companies that match the requirements of the enquirer.

On successful matching of members in the database, the MDMS will automatically generate a reply letter to the enquirer (see Annex II) and provide a list of member companies matching the query. The list of companies should contain the following information:

- Name of company
- Address
- Telephone
- Fax
- E-mail
- Web site
- Contact person
- Type of business activity
- Product

At the same time, the MDMS system will generate a letter to all member companies matching the query to inform them of the potential business opportunities. The letter can be send by post, fax or e-mail.

At the end of a selected period (weekly, fortnightly or monthly), the operator generates a trade information service newsletter from the MDMS (see Annex IV for a sample of a TIS newsletter). Trade information service newsletters usually contain the following information:

- Name of enquirer
- Designation
- Address in home country
- Telephone
- Fax
- E-mail
- Web site
- Product required
- Type of business interest (import, export, ancillary, joint venture partner, distributor, agency, dealer, manufacturing)

At a specified time interval (fortnightly or monthly), the operator will generate a statistical report on business enquirers for the Board Members of the chamber and the secretariat.

The MDMS can also prompt the user on the follow-up action required. After one month, the system can remind the user to check whether any follow-up action was taken.

CHAPTER SEVEN

Internet-based Business Matching Services

7.1 Introduction

The information super highway has created new opportunities for creating a cross-boundary information flow and exchanges. Many chambers are beginning to explore the use of the Internet for business matching.

7.2 Advantages of the Internet

Internet-based business matching services are useful only for initial contact. There are many advantages in using the Internet for business matching. They include the following:

(1) **International outreach.** The Web enables the chamber to reach out to individual businessmen and source for business opportunities on a global basis at relatively low cost.

(2) **Immediacy.** The web allows the chamber to change and update the information on enquiries quickly. Changes can be posted immediately. Compare this with the traditional printed trade information service which usually takes about a month to produce, print and mail. By the time the information reaches the members, the information is usually out of date.

(3) **Cost savings**. On the web, the cost of providing information does not increase proportionately with the amount of information. For most Internet service providers, the hosting charges are usually the same unless the web site exceeds the base amount. This is in direct contrast to print publishing where printing costs increase in proportion with the amount of information. The chamber also saves on postage and other associated handling costs.

(4) **Visual and sound**. Members can introduce their products over the Internet in words, sound and images. There is no difference in cost of production between a colour and black and white photograph. In contrast, print colour is expensive for small quantities.

7.3 Disadvantages of the Internet

Although the Internet offers many advantages for business matching, there are a number of disadvantages that must be considered when planning for an Internet-based business matching service. The disadvantages are:

(1) Currently, there is no method to validate whether the enquirer is a bona fide businessman. One way of overcoming this problem is to request the visitors to register on an electronic form, giving their name, name of company, e-mail,

telephone number and postal address. Registration also helps to identify potential partners for later follow-up via direct mail and telephone call.

(2) Attracting visitors to the web site. The web is a pull technology that requires the visitor to come to the web site and pull or specifically request for each piece of information. Since there are millions of web sites on the Internet, special effort is needed to promote the business matching service so as to attract visitors (see Section 7.5 for more details). To overcome this problem, the chamber must employ push technology that automatically sends information to the Internet user. Broadcast e-mail in the form of an electronic newsletter is the simplest form of push technology.

(3) Internet Service Providers (ISP). The quality of the chamber's Internet-based services (including business matching services) depends on the capability of the ISP or hosting service. Do evaluate your ISP using the following criteria:

- History and reputation
- Capacity and growth
- Hosting services available e.g. mail gateway, Domain Name System (DNS) registration, search engine and promotion engine registration, maintenance availability, reports, file transfer protocol, and the types of dial-up link technologies available.
- Customer support e.g. the quality of support documentation, the time taken to respond during a breakdown and the support cost for the required response time.
- Costs in terms of the disk space given to the chamber for a monthly account fee, the maximum amount of traffic and the number of e-mail accounts included in the package.

(4) Specialised expertise. To ensure a high quality web site, specialised manpower is required to design and maintain the web site. Most chambers do not have the in-house expertise. The solution is to outsource the web site design and maintenance, while the content of the web site is provided by the staff of the chamber.

On the whole, the advantages outweigh the disadvantages. Consequently, Internet-based services are gaining popularity among chambers.

7.4 Internet-based Business Matching Methods

Business matching service on the Internet is delivered usually through the chamber web site. There are five methods of using the Internet for business matching:

(1) Listing of business opportunities and trade enquiries

(2) Electronic form for business enquiries

(3) Membership listing or directory

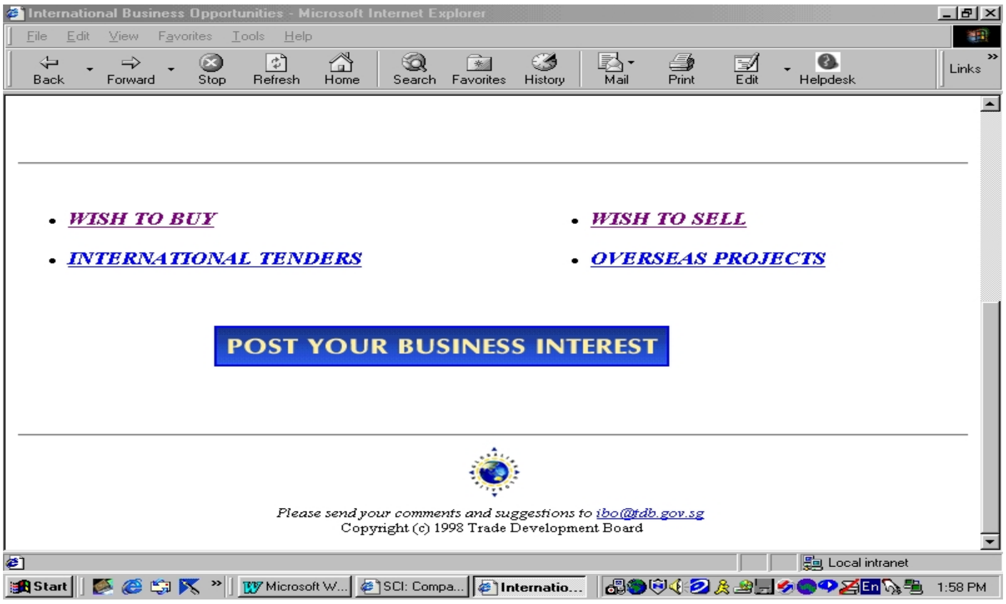
(4) Online catalogue

(5) E-newsletter

Web Page for Business Contact and Trade Enquiries

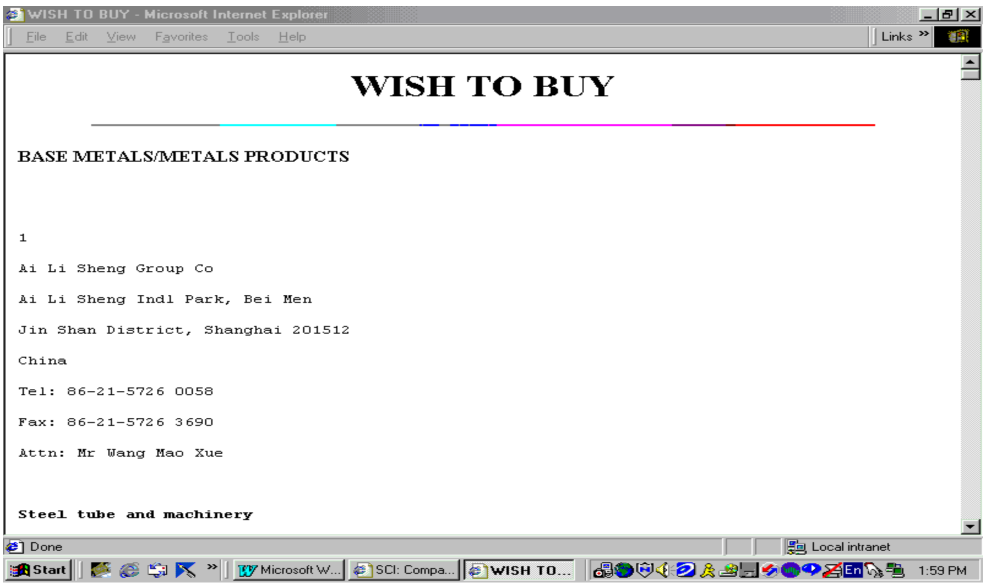
The most common method is to devote some web pages on the chamber web site for a listing of buyers and sellers. In some web sites, international tenders and overseas projects are included. Usually, it is a good idea to require the visitor to register on an electronic registration form before allowing access. Registration can help to screen out non-business users of the Internet. Figure 7.1 presents an example of a web page for business contacts:

Figure 7.1



After selecting your interest in buying or selling, the visitor is introduced to the list of companies interested in buying from or selling to the country. This is illustrated below:

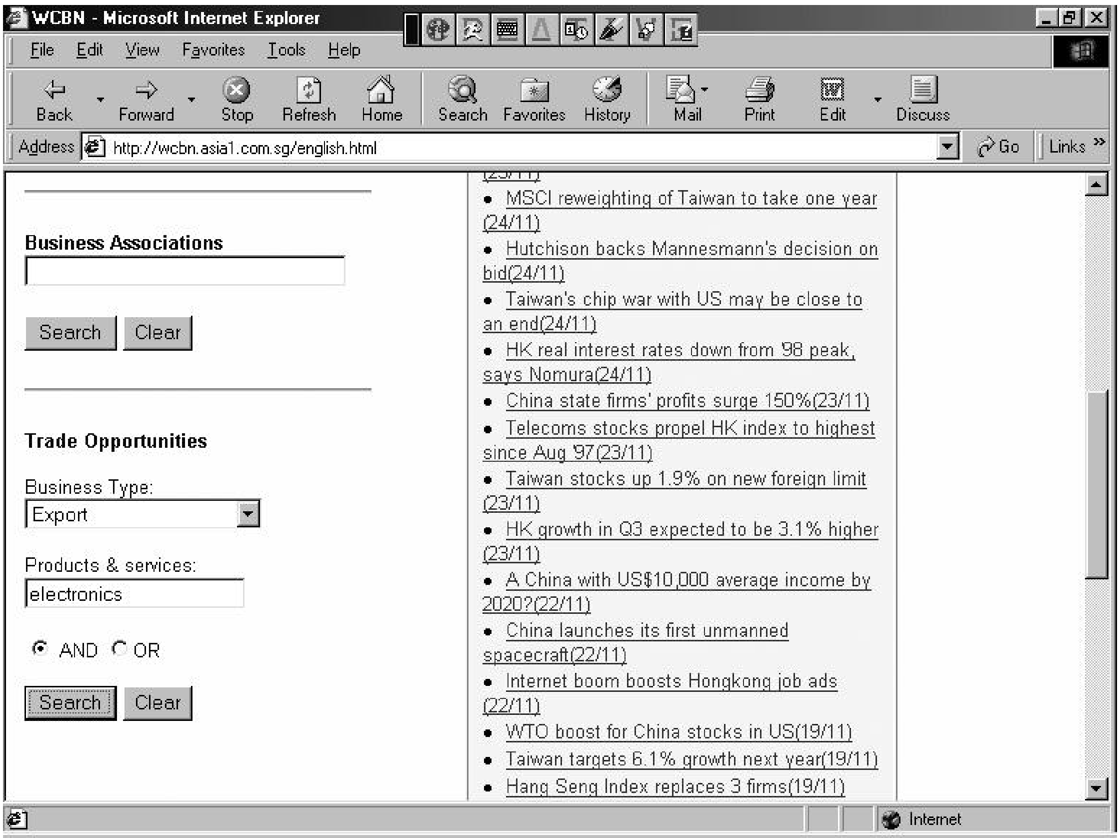
Figure 7.2



Only basic business information is provided i.e. name of company, postal address, telephone, fax, e-mail and product. The information is usually classified by product. **One additional information that should be included in the web page is the date of enquiry**. This will give the visitor an idea of the currency of the enquiry and may affect his decision to respond.

In some web sites where many contacts are available, the visitor may be requested to search for the information required. In the web page of the World Chinese Business Network provided in Figure 7.3 below, the search criteria are specified on the left column. The setting up of such a page requires some programming and may require the assistance of an external web designer.

Figure 7.3

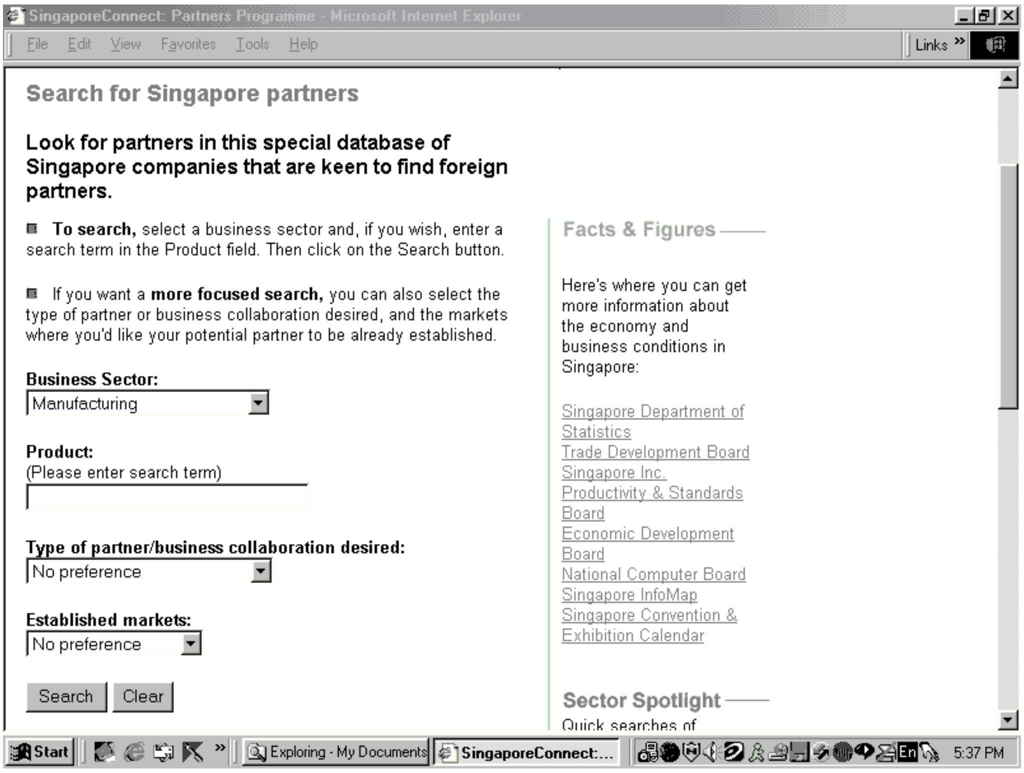


Electronic Form for Business Enquiries

Some organisations create an electronic form for business matching as part of their web site. Visitors wishing to search for business partners can enter the information on a business enquiry form and the result is displayed immediately. An example is provided in Figure 7.4 below.

Alternatively, the information captured in the electronic enquiry form is routed to the chamber. The staff of the chamber analyses the profile of the enquirer and re-routes the information to interested members. The enquiry is also displayed on the listing of business enquiries.

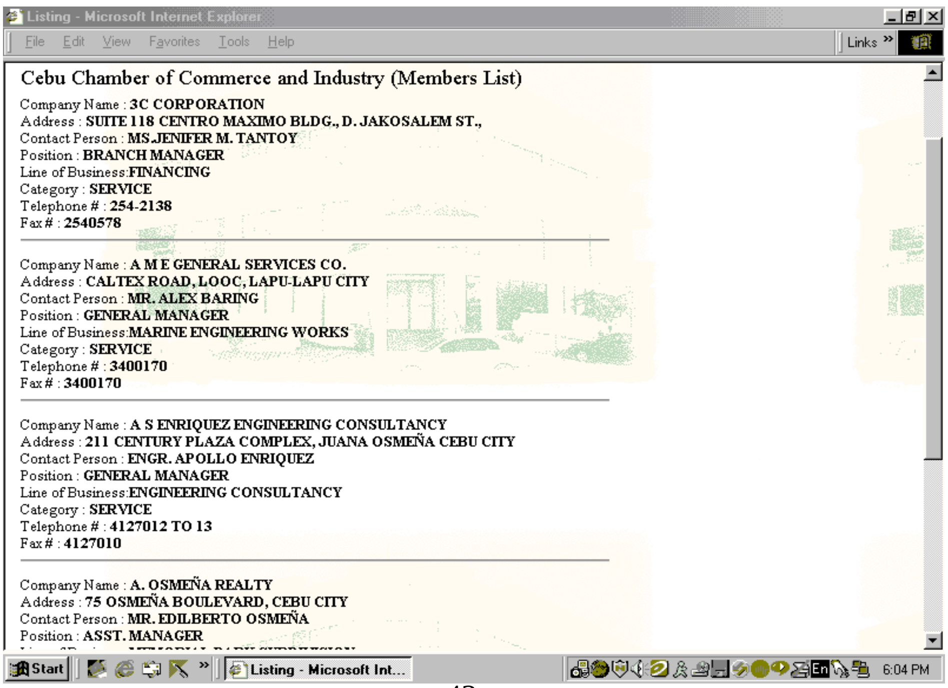
Figure 7.4



Membership Listing or Directory

Some chambers provide a membership list or directory on their web site for business matching. The membership directory can be searched usually by alphabetical order or by products. In larger countries, the visitor is allowed to search by city or province.

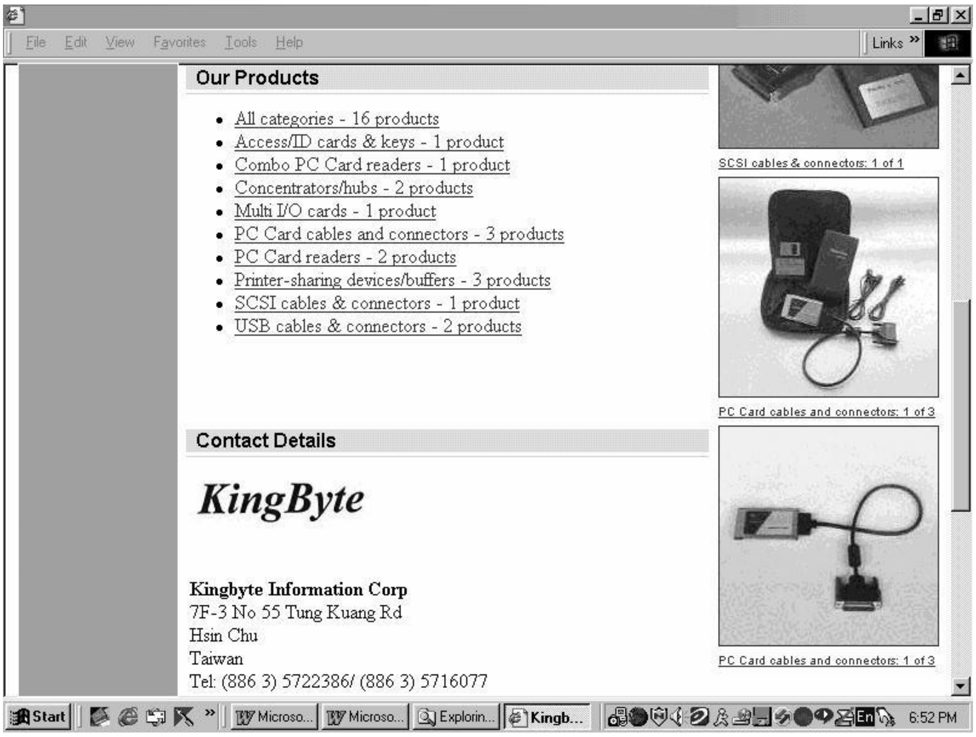
Figure 7.5



Online Business Catalogue

Online business catalogues are a variation of the membership listing or directory. In this type of web site, the visitor can view the products of the member. An example is provided in Figure 7.6

Figure 7.6



The main drawback of a business catalogue is the large amount of graphics and this can slow down the access time. Graphics also require more storage space on the net server. Consequently, the chamber may have to rent more space on the host server and this can increase cost significantly. One way of recovering the additional cost is to charge the member for every picture or by the amount of storage space required.

To ensure that the web pages of the individual members are attractive, it is recommended that a professional firm be engaged to design all the pages. This will also help to maintain consistency in layout.

E-newsletter

The electronic newsletter is usually an e-mail version of the trade information service. Members are informed of business opportunities through a standard e-mail that is broadcast to all members weekly. If there are sufficient news, more frequent broadcast can be made.

The usefulness of an e-newsletter depends on the Internet penetration of the membership. In countries where most members have an e-mail account, an e-newsletter is very helpful in keeping the members up-to-date regarding the latest happenings in the chamber and around the world.

Figure 7.7

Extracts from an E-Newsletter

Wishes to Buy

Rosie Trading Co., Ltd. No 274, 2nd Flr Mahabandoola Garden Street Kyauktada Township, Yangon, Myanmar Tel: 95-1-276293 Fax: 95-1-276293 Attn: Mr Khin OO Wish to Buy: Engine oil, gear oil, grease and lubricants Machines and parts, Textile and clothes Fresh water fish and prawns Wood for furniture http://www.tdb.gov.sg/buzz/buysell.html

Asia Petroleum Products Est. P O Box 6774 Dubai United Arab Emirates Tel: 971-4-825506 Fax: 971-4-825503 Attn: Mr Zia Kamali Email: app@emirates.net.ae Wish to Sell:Petroleum products mailto:app@emirates.net.ae

Clark & Clark Design Mill House, Mill Lane Cheadle, Cheshire, SK8 2NT, United Kingdom Tel: 44-161-4285588 Fax: 44-161-4917918 Attn: Mr Shoaib Chaudhry Email: man@clarkandclark.co.uk Wish to Buy: Brochures print work mail to:man@clarkandclark.co.uk

Unlike a trade information newsletter which can run for 10 to 20 pages, an e-newsletter should be shorter (less than 5 pages) and the information should be abridged. Details should be provided on the web site of the chamber. In the above example, the visitors interested in Rosie Trading Co Ltd of Myanmar can obtain more details at http: //www.tdb.gov.sg/buzz/buysell.html. Another way of keeping the e-newsletter short is to send it more frequently.

When designing an e-newsletter, the chamber should include the following information at the end of each newsletter:

- The e-mail address of the chamber for further enquiries
- The author of the e-newsletter
- Asking the user to recommend the e-newsletter to others
- How to subscribe and unsubscribe for the e-newsletter. Members must be given the option not to receive the e-newsletter by unsubscribing.

An example of the information to be included at the end of the e-newsletter is provided in figure 7.8 below:

Figure 7.8

For more enquires, please email to
singbiz@tdb.gov.sg

This alert service is brought to you by Singapore Trade Development Board and Buzzcity Pte Ltd.

Singapore Trade Development Board 230 Victoria Street #09-00, Bugis Junction Office Tower, Singapore 188024 http://www.tdb.gov.sg

Share your Buzz! Tell your friends about BuzzCity!

If you find BuzzCity useful, share it with your friends so that they too may receive the headlines tracked by you. Simply forward this email alert to your friends just once and tell them to forward the email back to subscribe@buzzcity.com for their free subscription to take effect.

To SUBSCRIBE, forward this mail back to subscribe@buzzcity.com

To UNSUBSCRIBE, reply with UNSUBSCRIBE TDB as the subject.

7.5 Marketing the Internet-based Business Matching Service

The success of any Internet-based service depends on pro-active marketing. Without good marketing, few people will visit the site. The chamber may wish to employ the following methods to market the Web site:

External promotion methods. Write to all the members and foreign partners informing them of the web site. These letters or circulars should be repeated at least once every six months to maintain awareness. Other methods include informational seminars and presentations during other events of the chamber.

Internal promotion methods. These are the least expensive methods of promoting the chamber's web site. Ensure that the address of the web site (URL) appears in the following materials:

- Business cards
- Letterheads, envelopes, mailing labels and faxes
- Brochures and catalogues
- Newsletters
- Invoices and instructions

Registration with major search engines. Register with search and promotional engines such as Yahoo, Excite and Alta Vista. However, there is no guarantee that it will be listed as these search engines receive millions of requests each year. Therefore, it pays to be persistent and submit repeat applications until listed.

Paid Advertising. Some organisations set aside a budget for advertising of their web site. The common advertising media are:

- Cybermalls. They contain web sites of similar products or services. Once the visitor enters the cybermall, he will be directed to the tenants of the mall.
- Banner advertising. Popular search engines and web sites offer banner advertising. These are short messages displayed in frames located over the information contained on each page. Banners are expensive and may not be cost effective for chambers.

Co-marketing and cross-linking with other Web sites. This involves exchange of banners and providing links to each other's web site. Usually cross-linking is free as the arrangement is mutually beneficial. The chamber may opt to cross-link with an important government agency.

Use push technology. As described earlier, the chamber may wish to send regular e-mails in the form of e-newsletter to members and foreign chambers. This is probably one of the most effective method of attracting visitors to the web site.

7.6 Conclusion

Internet-based business matching services must be supplemented by other non-electronic business matching methods. The service must be integrated into the overall Internet business plan of the chamber. Like all chamber services, it must be well-marketed.

CHAPTER EIGHT

Common Problems and their Solutions

In operating a trade enquiry and business matching service, the potential problems are given in Table 8.1. The solutions are provided in the same table but they should be modified to suit the needs of the individual chamber. The list is not exhaustive and should only be used as a guide.

Table 9.1

Common Problems and their Solutions for Business Matching Services

Problem	Solution
Lack of professional staff within the chamber to initiate and perform the required trade enquiry and business matching services.	• Lobby with the government to provide financial support to employ professional staff for the business matching service. • Train the secretariat staff on how to respond to business enquiries and match companies.
Lack of professionalism and quality in the trade enquiry and business matching service	• Recruit qualified staff for the business matching service. Ensure that the staff has some business experience to screen the companies and conduct desk research. • Train the staff through formal courses and on-the-job training. Attach the staff to an external organisation that is well-known for professional trade enquiries and business matching. • Develop standard systems and procedures for handling trade enquiries and business matching. • Target the service for a particular sector of the economy during the early stages. Acquire experience and learn from the mistakes to improve the quality. • Computerise the trade enquiries and business matching operations so that the staff has more time to conduct company research and factory visits. • Obtain regular feedback from users of the trade enquiry and business matching service on how to improve the service.

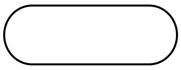
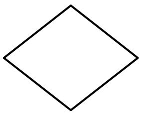
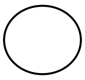
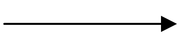
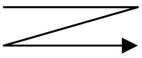
The success rate for matching is very low.	• Ensure proper screening of companies by the chamber staff. • Check with enquirers to ensure that you know their exact requirements. If the request is too general, get the enquirer to provide more details. • Know your members well. Organise events to bring them together so that the secretariat staff can understand their business better. • Ensure that the staff has a good understanding of the market, the competitiveness of the sector and the positioning of the members in the market through regular training and briefing by experts. • Build a good and comprehensive database. • Concentrate on certain sectors for business matching. • Brief the members thoroughly for one-to-one meetings.
Lack of a good membership database to facilitate business matching.	• Work with the membership department to create a comprehensive membership database. • Ensure that the database contains the information needed for proper matching of companies. Try to include such information in the membership application form. • Update the membership database at least once a year. Request members to inform the chambers of any changes immediately either by fax or through the e-mail. • Develop a separate database for trade enquiries and business matching. This should be a last resort as it would duplicate the membership database. Members will become irritated if they have to submit their company profile to the chamber twice.
Sustainability. Business matching is usually a low revenue generating activity.	• Shift the focus of business matching from general enquiries to value-added activities like business partner identification for which fees can be charged. • Charge for successful matches.

Lack of commitment from the Board.	• Sell the importance of business matching to the Board members. • Show the spin-off of successful business matching for other activities of the chamber like exhibitions and fairs, seminars, training courses and retention of membership. • Keep the Board informed of the number of enquiries received and the successes. Provide a simple report at each Board meeting.
Receiving few enquiries	• Write to chambers abroad and within the country informing them of the business matching service. • Inform members of the service and how it can benefit them. • Work with selected partners within the country or abroad to offer the matching services. For example, the chamber may wish to work jointly with an embassy so that all enquiries received by the embassy are routed to the chamber. • Attend business fora organised by the government agencies or trade promotion bodies. Request permission to set up a small desk to promote the business matching services. Take every opportunity to exchange name cards with the participants of the event. • Organise mega-events like an investment forum and sell the business matching services at the forum. • Participate in trade fairs and exhibitions. Collect the name card of visitors and write to them personally after the fair to inform them of the business matching services. • Look for success stories and publicise these successes in the chamber newsletter or local newspaper. Success usually generates more successes. • Offer the service over the Internet. This service should complement the existing business matching service, not replace it.

Fraud – members are cheated by foreign companies referred by the chamber's trade enquiry and business matching service	• Screen all enquiries carefully. In cases where you suspect that the enquiry is not bona-fide, request for more details or discard the enquiry. You can also refer the enquiry to a foreign partner to help you screen the enquirer. • If the list is provided by a foreign partner, request the foreign partner or chamber to vet the enquiries so that only genuine enquiries are received. • Use the Dun and Bradstreet database to assess the credit rating of the enquirer. This can be expensive and the cost should be borne by the member. • Alert all members immediately if any fraud is detected either by fax, e-mail or through a circular. • Blacklist companies known for fraudulent practices. • Analyse the sources of fraud (e.g. country specific) and develop preventive measures.
Insufficient staff to handle trade enquiries and business matching	• For general enquiries, concentrate on the sector with the highest pay-off i.e. where the need is greatest or the industries where most of the members come from. • Computerise the trade enquiry and business matching operations.

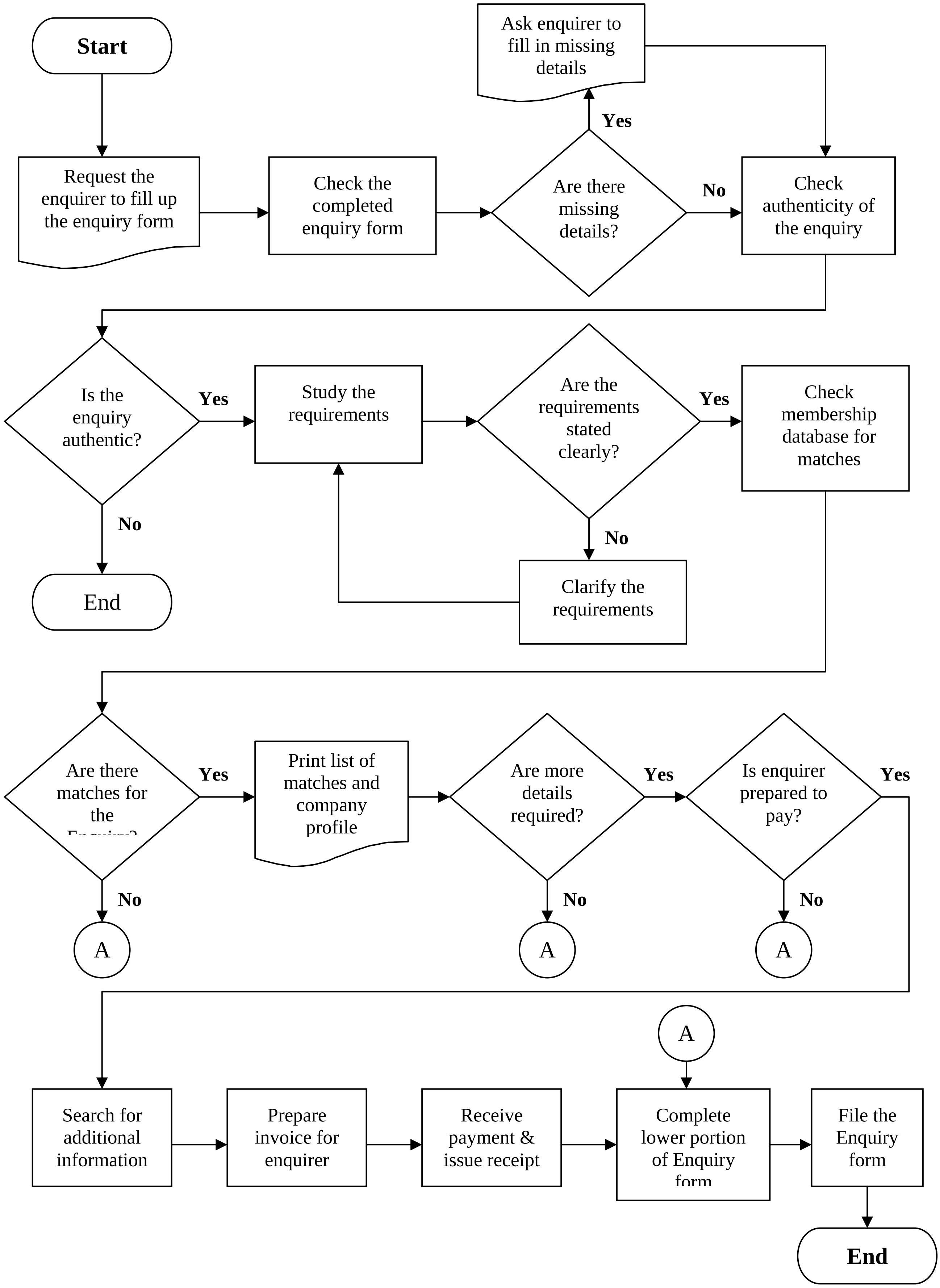
Annexe I

Common Flowchart Symbols

Symbol	Name	Explanation
	Elongated circle	Shows the starting and ending points of the process flow chart.
	Box	Indicates an activity. Each box should contain a short description of the activity.
	Diamond	A decision point. Each diamond should contain a question that can be answered by a YES or NO
	Document	Shows the output is recorded on paper (e.g. written reports or letters)
	Connector	A small circle with an alphabet is used to connect one activity of a flow chart to another
	Arrow	Shows the direction and order of the activities
	Interrupted arrow	Shows an immediate transmission of information (e.g. electronic data transfer or fax)

Annexe II

Flow Chart of a Trade Enquiry Service



Annexe III

BUSINESS ENQUIRY REGISTRATION FORM

Name of company			
Address of company			
Telephone		Fax	
E-mail		Web site	
Name of enquirer			
Designation		Telephone	
Contact address in India			
Telephone in India		Fax	
Purpose of enquiry	Looking for Manufacturer/Importer / Exporter / Distributors / Agents / Dealer / Joint venture partners / original equipment manufacturers / ancillary / technology / Others ______________________		
Product(s) interested			
For office use only			
Description of action taken (activity, by whom, and date)			

______________ Date

______________________ Signature

Annex IV

LETTER OF REPLY TO BUSINESS ENQUIRY

<CHAMBER LETTERHEAD>

<Date>

<Name of enquirer>
<Designation>
<Address>

Dear <Name of Enquirer>

Please refer to your enquiry dated <Date of enquiry> for business opportunities in India on <date of enquiry>. We are pleased to provide you with a list of our members who may be able to assist you with the enquiry.

Should you require further assistance, please contact Mr. <Name of chamber staff> at Telephone Number: <Telephone Number>.

We would also appreciate if you could inform us of the outcome of your business enquiry. This will help us to improve our business matching service in <Name of Chamber>.

Yours faithfully

<Name of person responsible for business enquiry>
<Designation of person responsible for business enquiry>

Annexe V

COMPANY REPORT	Reference Number	
Name of company		
Postal address	Telephone	Fax
	E-mail	Homepage URL
Name of Chief Executive Officer	Designation	
Number of employees	Date of establishment	
Products	**Line of business**	**Major markets**
Factors	**Comments**	
Management capability		
Labour-management relationships		
Technical/process capability		
Attitude of employees		
Production equipment		
Housekeeping and premises		
Quality assurance		
Finance		
Others		

Annexe VI

SAMPLE OF TRADE INFORMATION SERVICE NEWSLETTER OF A CHAMBER

THE FEDERATION OF BANGLADESH CHAMBERS OF COMMERCE & INDUSTRY

TRADE INFORMATION SERVICE

ISSUE NO. 68 **MARCH 1997**

German Confederation of Small Business & Skilled Crafts

A PUBLICATION OF FBCCI RESEARCH DOCUMENTATION AND LIBRARY CELL UNDER FBCCI-ZDH-PARTNERSHIP PROJECT

SEQUA

The objective of the Trade Information Service (TIS), a monthly bulletin of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) , is quick dissemination of information to interest of the FBCCI's Memberbodies - the Chambers and Associations. It covers trade enquiries pertaining to exportable and importable items from trading enterpises at home and abroad, calendar of trade fairs and exhibitions, tender notices, joint venture proposals, business and investment regulation, intended and sanctioned investments by DFI's and local intrepreneurs, and other information on trade and business development at home and abroad.

EXPORT FROM BANGLADESH

The following is the list of Firms interested in importing selected items from Bangladesh mentioned against their names:

01. International Textile Management Consulting Co.
350 Fifth Ave. Room #8804
New York, NY 10118, USA.
Fax:212-629-3294

Item: Shirts.

02. Al Saadah International
P.O. Box 644, Clarkstan
GA 30021, USA.
Fax:770-498-0895

Item: Garments.

03. Access One Information Service
3649W, 18 3rd Street
Suite 129 Hazei Crest
Illinois 60429,
USA.
Fax:708-799-2247

Item: Craft products.

04. Stephen Brothers
3108 Parham Road
Suite 5028 Richmond
VA 23294, USA.
Fax:180-4-747-3541

Items: Gift and paper items.

05. Trading USA
23 Bethany Drive
Irvine. CA 92612, USA.
Fax:714-856-0515

Item: Sea food.

06. Gilka Sarl
66 Rue Danvers
69007 Lyon
France
Fax:337-786-11051

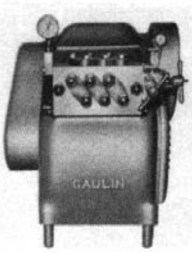
Item: Leather goods.

Annexe VII

Sample of a Trade Information Services Newsletter
with Short Write-up and Photographs of the Products

FOOD/FOOD PROCESSING

Reconditioned Food Processors

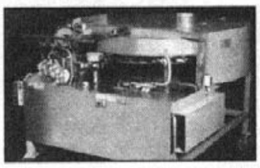


"**Food Processing Equipment**" is offered for food processing and packaging mainly in dairy plants. Ice cream, milk, cheese, and cultured products are all food that can be processed using these reconditioned machines. The equipment also is useful for juice plants, cosmetic plants, and all types of processing plants. These reconditioned machines save the buyers 50 percent over new costs, says the company. The company also helps with plant layout and consultation on proper selection of equipment. Distributors and direct sales are sought. **CONTACT:** Louie Armas, Sales Mgr., Eischen Enterprises, Inc., Dept. CN, P.O. Box 6136, Fresno, California 93703 U.S.A. **TELEPHONE:** 559-834-0013. **FAX:** 559-834-9183. **EMAIL:** veischen@aol.com

Fruit/Vegetable Wash

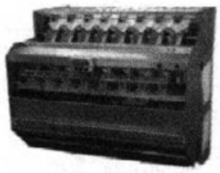
"VegiWash™," the original "**Fruit and Vegetable Wash™**," is an organic, nontoxic, completely rinseable wash scientifically designed to remove 97% of potentially harmful pesticides and other chemicals from produce, the firm says. A synergistic blend of organic surfactants backed by independent laboratory tests, "VegiWash" is available pre-bottled or in concentrate drums for private bottling. Importers and distributors are sought, with special international distributor pricing offered. **CONTACT:** John Laurain, President, Image Export, Dept. CN, 3353 Linden Ave., Ste. 202, Long Beach, California 90807 U.S.A. **TELEPHONE:** 562-988-1104. **FAX:** 562-988-2927. **EMAIL:** image@winteractive.com **WWW:** http://www.vegiwash.com

Fully Automated Fortune Cookie Machine



The Model Fortune III "**Fortune Cookie Machine**" is a fully automated fortune cookie machine that manufactures cookies at a rate of 1,500 cookies per hour with a minimum cookie rejection rate. This machine can also produce flat and round waffle-shaped cookies. According to the company, it is designed with precision, easy maintainability, and long-term dependability. The machine is easy and safe to operate so one operator can run up to 10 machines. Direct sales are sought. **CONTACT:** Thomas Y.S. Lee, Pres., United Automation Technology, Inc., Dept. CN, 53 East Main Street, P.O. Box 624, Westborough, Massachusetts 01581 U.S.A. **TELEPHONE:** 508-366-4412. **FAX:** 508-366-5803. **EMAIL:** uatinc@worldnet.att.net

Fruit Processing Equipment



For over 50 years, "**Atlas Pacific Engineering Company**" has been the leading manufacturer of deciduous fruit processing equipment, the firm says, offering a range of machinery to automatically peel, core and slice apples and pears, pit peaches and apricots and stem fresh and/or brine cherries. To service this equipment, Atlas Pacific employs a dedicated team of technicians, located worldwide, to assist customers with machine inspections, off-season overhauls, seasonal start-up or trouble-shooting. Atlas Pacific is also available to assist with plant layouts and application support as needed. **CONTACT:** Robb Morris, Int'l Sales Mgr., Atlas Pacific Engineering Company, Dept. CN, # 1 Atlas Ave., Pueblo, Colorado 81001 U.S.A. **TELEPHONE:** 719-948-3040. **FAX:** 719-948-4273. **EMAIL:** Robbm@atlaspacific.com

Source: US Department of Commerce, **Commercial News USA**