

Building British success overseas case study 6

BGB Engineering

Electro-mechanical engineers, manufacturing slipping assemblies for a huge range of applications and industries



BGB's electrical slipping assemblies are used to transfer power and/or signals through 360 degrees. Applications range from wind turbines, to rotary doors to a test assembly aboard the NASA shuttle. The company was established in 1976 and employs 36 people in Grantham, South Lincolnshire. Exports account for around 70% of total turnover which currently amounts to just under £2.0 million.



Moving into new markets

Marketing Manager, David R Holt highlights the reason behind the decision to move into the export market in 1994/5. Like many companies, BGB's export drive was a reaction to a downturn in the traditional markets in this country. "UK sales were slowing, which forced a proactive move to expand our overseas market," he said.

Initially, BGB supplied small quantities of brushgear and slippers to Australia. Business then soon followed from the USA, Holland and Canada. The rapid growth in BGB's export sales was initiated in 1995, due to penetration into Scandinavian markets through the expanding use of wind turbines within the power industry.

Making contact

BGB began working with their first agent in Denmark – "as a result of representation at a trade fair in Copenhagen. The agent could see an immediate application (wind power) within which to incorporate our product," said David R Holt.

At around the same time, the company secured a contract for the supply of rotary door

assemblies to Holland. Export activity was driven by the availability of markets for BGB's product/service, rather than selecting a country and then finding customers within that country.

"The Scandinavian market is really going places. Up to three quarters of our exports go there."

For more details of how BGB exports, see overleaf.



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Top Tips

- **Check out customers thoroughly – credit checking is a must, but also consider insurance. It can be cost-effective when you consider the value of your order**
- **Appoint a technical National with local market knowledge**
- **Visit your clients regularly and bring them over to your base in the UK**
- **Research competitor activity in various countries and markets, including what prices they are charging.**

Meeting needs

Transport has posed no problems. Denmark is served by a daily pick-up of goods by a Danish freight company from BGB's UK base. Other locations are served through UK transport companies.

Relationship development with global customers having headquarters in Denmark has enabled BGB to organically grow its exporting network as depots in other countries gradually take on the technology specified by their parent company.

The multi-skilling of BGB's staff and its manufacturing and design flexibility are seen as crucial to the success of exporting. BGB is able to modify and adapt the product range to meet the needs of customers by using advanced 3-D CAD software.

"In the case of the unit which we manufacture for wind turbines in the States, wiring and cabling specifications are modified to meet local regulations (UL approval)."

Flexible arrangements

The experience which BGB had gained at home in dealing with a wide range of markets had already taught the company to make use of a flexible approach and this was put to good use in dealing with the variety of demands in the export market. The company's exporting arrangements vary from country to country according to what best serves the needs of both BGB and the customer. At present this includes:

- **Direct customers – Holland**
- **Agencies – Denmark and Sweden**
- **Informal agreements – Australia, Germany and Spain.**



Appointing agents

Choosing the right agent is an important issue. David R Holt explains why, "Where we have appointed an agent, we have chosen one who is a native of that country and who also has the technical background which our product demands." This arrangement means that BGB customers are dealing with someone who speaks their language, is aware of their market needs and the particular business environment. "This has worked well for us," commented David R Holt. This arrangement will form the basis for BGB's plans to expand into Germany and France.

Export advantages

David R Holt says that exporting has been a key factor in the company's growth and success. In his own company's case exporting has:

- **Enabled fast expansion and growth**
- **Funded additional investment into CNC machinery and IT systems**
- **Financed additional training for staff**
- **Contributed to a complete facelift for the factory, internally and externally**
- **Given the company a chance to enter and win the Lincolnshire Awards for Export 'first time exporter' award – raising BGB's profile locally.**

"It's given us a real lift. All in all, exporting helped us to quadruple our turnover in four years."



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