

# The Value of Good Advice

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Asian SME companies are in the process of experiencing that “just selling” to some customers overseas is not really „Export –Business“. However, by developing better quality products, export markets should be systematically explored to compete in those markets where quality still ranks first among sales arguments.

A very good example is Germany. Approaching these markets, Asian manufacturers still trust in existing contacts and personal experience. As naïve as some Europeans are, they judge Asian business culture and industrial performance by their personal experiences when meeting some tourists. The same applies to naïve Asian SME's who are judging German markets by the few buyers they meet occasionally.

E.g. selling to Germany and to start controlling the market, one has to study and know these markets very well. It is naive and simple hearted to think you know the market, when you occasionally participate in one of the impressing German industrial and trade fairs. Yes, it may be a travel experience worth the money spent, but businesswise one needs more to do business in this market.

Unless you know how this market works, you'll stay a “greenhorn”. How do the buyers think? Where do the consumers buy? Where is the contact I met at the fair positioned in the market? How should the product look and be priced? What barriers have my competitors built to keep me out? Many questions, which may make you, fail, if you don't know the answers.

But many Asians think they can find the answers by themselves. They do not want to invest in information! In a mix of overestimating their own knowledge and underestimating the cost of “trial and error” in the approach to new markets Asians don't want to invest in market know how and consulting. At the most they are ready to pay a small commission if the consulting leads to some sales. However, trusting in such agency-agreement is pure risk for the advisor. Having the knowledge, many Asians forget what they did not know before!

Offering “commission for know-how” also means not to know the difference between sales and good market know-how. The best salesman will not sell well in the long term without knowing his market. However, a good marketer needs not necessarily be a good salesman.

I could tell stories about Asian SME's who saved every Dollar and did not seek good advice, but lost millions in just a year to their competitors who invested in the know-

how. Others spend a fortune on travelling to their markets without substantial success and end up mistrusting the westerners when they ask for a reasonable payment for their research and preparation of the business.

Westerners can learn a lot from Asians, when it comes to flexibility, efficiency and service when doing business. But when it comes to the value of good advice and consulting, the Asians still have to learn a lot about markets and how to infiltrate them.

In western countries even high ranked managers pay for consulting to obtain better know-how. They don't do so, because they as individuals feel incompetent. Far from it, they know that investing in knowledge will make them more efficient and at the end of the day it will be much cheaper than a system of "trial and error", which many SME Managers in Asia still prefer.

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