

Finding global partners is the key to success

Daniel E. Lach, managing director of Beaufort International LLC, discusses the importance of securing international partners in the South African fire and security industry.

In the past, South African companies have had the challenge of dealing with significant outflows of investment capital. At long last, the tide has changed.

Today, more than ever, foreign firms are considering making significant investments in the South African arena.

This fundamental change in global attitude arises for a number of reasons. Firstly, and fundamentally, South Africa is fondly seen as the world's best example of freedom and democracy in action.

Secondly, the use of the English language within South Africa enables global investors to easily orient themselves within the framework of the South African economy.

And thirdly, the cost of doing business in modern-day South Africa is still extremely favourable when compared to the expensive economies of North America and Europe.

This strong mix of assets working in South Africa's favour are best taken advantage of by companies here that wish to expand their business on an international level.

However, the challenge for every firm is how best to increase its visibility in the international marketplace.

For many firms, the possibility of securing a foreign minority partner is frequently overlooked.

However, such a partner can be invaluable in opening up new markets and new opportunities. These partners can not only assist in providing investment capital, but more importantly provide the key to opening new doors through their international contact network.

Of course, the fundamental question becomes, "How do you identify the right partner for you?" In the case of most small to medium-sized businesses, insufficient financial and management resources make it impossible for companies to jet around the globe looking for a "needle in the haystack".

Therefore, the ultimate responsibility for any company is to ensure that it has

effective representation that will carry its search to places it would otherwise not reach. But, who is best positioned to accomplish this?

Firstly, it is important to identify the "movers and shakers" of the industry you operate within.

Who are the people of influence? Who is already active within the international deal making business within the fire and security industry? By identifying these individuals and targeting their attention, you will leverage your efforts tenfold.

“South Africa is more fondly regarded than ever on the international stage as a country with tremendous potential ... but is still viewed as a largely unknown entity on a business and technological level ... so do not wait for your partners to come to you. Actively seek them out first.”

Be careful to avoid "Jack of all trade" middlemen who do not have specific knowledge or contacts within fire and security. These people will only cost you time and money. Seek out the specialists working within the industry and you will identify the people working behind the scenes doing deals.

If possible, seek out specialists that are not based in your home town. If they have to travel as far as you do to make new contacts, their effectiveness may also be limited.

Do your homework. Identify and subscribe to international periodicals. Who is active within those organisations? Who advertises in them? Who writes for them? Those are the people that can help put you in contact with the right partner.

Go to international trade fairs, even if you are not exhibiting or selling your products there. The international wheeler and dealer will always be there in some capacity. Who is giving presentations? Who is sponsoring?

International dealmakers are not a stagnant bunch. They travel incessantly in order to gather information from its source. A good dealmaker will be on the move, visible and able to speak intelligently on the state of the industry on a global basis.

Even dealmakers need a bit of help. Don't underestimate the benefits of your web site. Dealmakers may not wish to carry your literature around with them everywhere they go. They will, however, always be willing to pass on your web address to parties interested in looking more carefully at your business.

Make sure you keep that web site current. Use it to publish "press releases". These may be nothing more than regular updates of the location and dates of trade fairs where you are exhibiting.

Don't be afraid to disclose major contracts you have secured or awards you may have won. An up-to-date "news" page portrays your business as an energetic, growing operation that is attractive to other winning companies looking for a partner.

Make sure your company brochures can be downloaded as "pdf" files to anyone who wishes to learn more about what you do.

In summary, remember this: South Africa is more fondly regarded than ever on the international stage as a country with tremendous potential.

But, it is still viewed as a largely unknown entity on a business and technological level. Do not wait for your partners to come to you. Actively seek them out first. Know what you want and make your requirements known to those specialists in the industry that are best placed to assist you. Good luck! ■

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