INVESTMENT PROMOTION FUNDAMENTALS AND IMAGE BUILDING

Training Course on Promotion, Attraction and Facilitation of Foreign Direct Investment for Inclusive and Sustainable Development for Myanmar,
Hpa An, 14-16 June 2017
Monywa, 19-21 June 2017
OUTLINE OF PRESENTATION

- Formulating an effective investment promotion strategy
- Benchmarking a location
- Image building and basic investment promotion tools
- Using website and social media
- Investor targeting and lead generation
Formulating an effective investment promotion strategy
WHERE INVESTORS (CLIENTS) MEET GOVERNMENTS (IPAs): INVESTMENT PROMOTION

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WHAT IS INVESTMENT PROMOTION?

- A series of activities that seeks to market/promote a particular location (country, city, province, region) as an attractive location for foreign direct investment.
- Basically a government activity but private sector can be involved
- Need for targeted approach (investment targeting/lead generation)
- Involves:
  - Identifying and communicating comparative/competitive advantages
  - Information dissemination
  - Policy advocacy (improving business/investment environment)
  - Servicing clients (investors)
RATIONALES FOR INVESTMENT PROMOTION

Overcoming Bureaucratic hurdles
Portraying the right image
Closing information gaps
Compensate market imperfections
Addressing distorted risk perceptions
Competition from other locations
Location decision making process

Role of IPAs:
• Overcome information asymmetries
• Compensate for imperfect market condition
• Address competition from other locations
To attract quality (sustainable) FDI (certain types, from certain countries in certain sectors) to a certain location that contributes to sustainable economic development goals of the location, e.g. transfer of capital (financing for development), employment and income generation, technology and/or skills transfer, development of a certain location, developing local enterprises through linkages.
## EFFECTIVE INVESTMENT PROMOTION STRATEGY: TEN COMPONENTS

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INVESTMENT PROMOTION STRATEGY TEMPLATE

- **Vision**
  - Each IPA should consider the vision for its organization and region
  - Most vision statements involve the achievement of sustainable economic development and benefits to the people of the region through the attraction of FDI

- **Mission statement**
  - The mission statement outlines in more detail how the IPA will achieve its vision
ORGANIZATION PRINCIPLES

**Vision**: It’s a future oriented, detailed description of outcomes you want to accomplish.

**Mission**: This should be an inspiring statement of why you exist (organization).

**Goals**: Significant steps towards accomplishing your mission and vision.

Defining the organization principles (e.g. Vision, Mission, Goals, etc) is important to create shared values and to differentiate your location from competitors.
INVESTMENT PROMOTION STRATEGY TEMPLATE

- **Strategic objectives and goals**
  - These relate to the specific objectives of investment promotion (which are part of the goals of the IPA)
  - This could be related to raising overall FDI levels for the purpose of increasing competitiveness, creating employment, etc
  - Quality versus Quantity?

- **Benchmarking and image building strategy**
  - Assess strengths and weaknesses of location vs. other locations
  - Assess investor perceptions
  - Launch information campaign to dispel negative image....
  - ...and/or improve positive image of the location
Markets and sector strategies

- Assess competitive environment

- The IPA should consider what its core target markets (source of FDI) and sectors are – taking into account that well funded IPAs may only have three to five core markets (e.g. China, EU, Japan, the US, etc.) and sectors (e.g. Food Packaging, garments, electronics, agro-industry, services)

- The geographic markets and industry sectors being targeted by the IPA are a core part of an investment targeting strategy
INVESTMENT PROMOTION STRATEGY TEMPLATE

- **Marketing and promotion**
  - The strategy should identify the main marketing and promotion initiatives to be undertaken by the IPA
  - For example, a new section on the IPA website, new marketing brochures, Public Relations (PR) activities, etc.
  - The industry events and missions the IPA is going to attend should be clearly stated in the strategy

- **Product development**
  - Product development are the activities taken to improve the underlying competitiveness of the region for FDI
  - These can include activities such as skills development, linkages with local companies, infrastructure development, property development, improving quality of utilities, etc.
**INVESTMENT PROMOTION STRATEGY TEMPLATE**

- **Budgets & resources**
  - The strategy should provide a detailed budget plan for the IPA
  - Resources necessary for the development of a National Investment Strategy are subject to budget constraints
  - # foreign offices
  - # staff

- **Organization of resources**
  - The strategy should include an organizational diagram showing all departments and every member of staff and what their role is in the organization.
  - This is an important part of Good Governance
Performance indicators

For each strategic objective measurable performance indicators should be provided

These typically include targets such as:

- Number of investor inquiries
- Number of investment projects attracted
- Value of the investment projects being targeted
- Direct jobs created by investment projects

Action plan (short term)

This may include:

- Short-term target sectors and markets
- Investor proposals
- Key target companies (if can be agreed)
- Events and marketing initiatives
- Marketing materials (brochures etc)
- Training and capacity building
- Budgets
- Organization charts
INVESTMENT PROMOTION STRATEGY
TEMPLATE: ACTION PLAN

Investment Promotion Strategy Development

Organizational Commitment

Prioritize your target markets, sectors and investors

Tailor your marketing efforts based on your prioritized markets, sectors and investors

Develop well defined Investment proposals to raise awareness among investors

Revise Investment Promotion Strategy

Evaluate: is this strategy and approach successful?

Yes

Maintain current Investment Strategy

No

Targeting Process

Tailored Marketing Plan

Investment Proposals

After Care for Investments

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The requirements for a successful investment strategy consist of ten key components
- This deals with the “how” question

A realistic sector strategy requires you to prioritize 4 - 6 attractive markets, sectors and business activities
- This deals with the “what” question

Assess which investment needs you have

Prioritize the attractive sectors and business activities only after you have assessed the potential advantages of each sector and business activity

Pay due attention to the issue of sustainable and evaluation of your investment promotion strategy
Benchmarking a location
WHAT IS BENCHMARKING?

Benchmarking is the process of improving performance by continuously identifying, understanding, and adapting outstanding practices found inside and outside the organization.
PROCESS OF BENCHMARKING

- Benchmarking is the process of comparing one’s business climate and performance metrics to other regional or global competitors
  - Why are they better?
  - What are they doing that makes them?
  - What can we learn?
  - How can we catch up?
  - How can we become the best in a specific category?
BENCHMARKING AS TOOL FOR CONTINUOUS IMPROVEMENT

Benchmarking ≠ Copying

- Conditions are never identical
- Understand critical variables and apply them to your unique case and environment
- It's about identifying gaps, using policy advocacy to address and react to implement necessary measure to close the gap
WHY IS BENCHMARKING IMPORTANT?

- To *understand the complexity* of investment location decisions by potential investors
- To provide an *objective and realistic ‘picture’* of your country compared to competing alternative locations in the region
- To assist the potential investor in making a *fact based investment decision*
- To present your IPA as a *knowledgeable and professional organization*
- To continuously *provide insight, monitor* the *Unique Selling Points (USPs)* and *mitigate weaknesses* of your location
EXAMPLE OF BENCHMARKING:
BOI THAILAND

World Bank Ease of Doing Business 2013
Every year, the World Bank conducts a study of Ease of Doing Business in countries around the world. The Doing Business report, which looks at domestic and medium-sized enterprises and quantitatively measures regulations affecting them, covers nine indicators for 185 economies. Ease of Doing Business 2013 ranked Thailand #18 in the world, placing it in 4th in East Asia Pacific.

"Government agencies in Thailand have been collaborating to promote a friendly business environment. This, along with other measures such as improving the quality of education and promoting innovation, will help Thailand attract investors and remain competitive."

Annette Dixon,
World Bank Country Director for Thailand

"Thailand continues its efforts to reduce the cost and time of doing business. This, combined with reforms aimed at improving skills and promoting greater competition in the services sector, would promote greater investment and improve business operations."

Kinds Bhaopitch,
World Bank Senior Economist for Thailand.

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<tr>
<th>Country 2013</th>
<th>Ranking</th>
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<tr>
<td>Singapore</td>
<td>1</td>
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<tr>
<td>Thailand</td>
<td>18</td>
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<td>Malaysia</td>
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<td>Vietnam</td>
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<td>China</td>
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<td>Brunei</td>
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<td>Indonesia</td>
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<td>Cambodia</td>
<td>133</td>
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<tr>
<td>Philippines</td>
<td>138</td>
</tr>
<tr>
<td>Laos</td>
<td>163</td>
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Source: [http://www.doingbusiness.org](http://www.doingbusiness.org)
SWOT ANALYSIS

- **Strengths** (from the perspective of the investor)
- **Weaknesses** (from the perspective of the investor)
- **Opportunities** emerging from trends and developments
- **Threats** emerging from trends and developments
Companies also benchmark locations on the basis of costs of doing business.

Important items are:
- Projected sales volumes
- Operational cost items
  - Labour
  - Utilities
  - Transportation
  - Customs and duties
- Corporate income tax
- Incentives

In a cashflow analysis, companies calculate the net present value.
KNOW WHAT YOU MEASURE!

- Do you know precisely what is meant by:
  - Net salary
  - Gross salary
  - Wage costs
  - Labour costs
  - Gross income
  - Net income
  - Total labour costs
- Make sure that when preparing a benchmark all sources and definitions are completely clear
- Otherwise you are comparing apples with oranges

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NECESSARY STEPS TO COMPLETE A TAILORED BENCHMARK ANALYSIS

- Benchmark against investor needs
- Identify the investment facts and figures of potential investors such as:
  - How many jobs will the project need?
  - What kind of jobs?
  - How much land or office space does the potential investor need?
  - Volume of utility usage
  - Transportation/Containers
- Identify list of competing candidate countries and/or regions for specific potential investment projects in your region
NECESSARY STEPS TO COMPLETE A TAILORED BENCHMARK ANALYSIS, CONT.

- Identify relevant location factors for the investment projects such as:
  - Labour costs
  - Taxation
  - Access to public transport

- Identify which location factors are critical and which are important to the success of the investment projects such as:
  - Critical: low labour costs
  - Critical: utility costs
  - Important: availability of skilled labour
  - Important: accessibility
CONCLUSIONS

- There are many ways to rank location choices
- The global competitiveness indicators can be used for marketing purposes
- National or regional sources must be used if a company requires a more in-depth regional or local benchmark
- Benchmarking and weighted analysis are the most common techniques
- Be careful with benchmarking cost factors and know what you measure
- A cost-benefit analysis provides a better and clearer picture for potential investors
CONCLUSIONS, CONT.

- Companies also benchmark on financial ratios.
- Based on the competitiveness indicators as well as the financial evaluations, they will create a shortlist.
- IPAs promote and are therefore considered biased towards their own location.
- Thus in any report always mention:
  - Source
  - Year
  - Definition
- Base your benchmarking on investor perception studies.
IMAGE BUILDING AND BASIC INVESTMENT PROMOTION TOOLS
LINKING THE INVESTMENT PERCEPTION STUDY AND IMAGE BUILDING

- The investor perception study is the first important stage in developing an investment promotion strategy.
- To raise awareness of a country's 'offer' as identified in the investor perception study, image building should be a key subsequent activity for IPAs.
- Consequently, the next stage is to define the brand image.
- Investment promotion requires positive image building activities:
  - In order to convince investors that the territory has an attractive and competitive environment for business.
  - And to dispel possible lingering negative images of your location.
PURPOSE OF IMAGE BUILDING

- Image building is meant to encourage investors to learn more about your location’s business potential.
- Image building can only be successful if there is a relatively good business environment:
  - Requires effective policies, laws, and regulations to be in place.
  - Government supportive of business and investment.
- At early stages of investment promotion, it is often necessary to expend much more effort on improving a location’s image than on generating investment.
- Changing (improving) an image can take time.
OBJECTIVES OF IMAGE BUILDING

- Create positive perceptions of your location’s investment market among domestic & international firms
- Portray and promote your location as the best (emerging) market for (a particular) investment
- Prepare the groundwork for effective investment promotion techniques
- Create greater interest among investors in learning more about the investment opportunities in your location
- Help attain long-term and sustainable development goals
- Enhance your image and investment opportunities by linking to other locations in your countries or other countries in your region
EIGHT BASIC STEPS FOR EFFECTIVE IMAGE BUILDING

Step 1: Preparation for successful image building

- Ensure that the local IPA serves as the pre-eminent source of all information outflow, both written and verbal.
- At all times, senior managers of the local IPA must be committed to the public relations function.
- Local IPA officers at all levels should have the required competency, in particular communication skills, and demonstrate full dedication and commitment to their jobs.
Step 2: Define the target audiences for image building strategy

- Determine who are you trying to reach (i.e., who is most likely to be most interested in your location?)
- Likely to have different categories/industries, which have different needs
- The usual targets are probable and existing investors, opinion formers, and other stakeholders
- Investor perception study will give good clues
Step 3: Define the message(s)

- Develop your marketing theme
- Most IPAs’ public relations communications should include the following general messages:
  - Explicit responsibility of the local IPA to improve the investment climate
  - The wide range of support services offered to investors (including the identification of investment opportunities, one-stop service centre, after-care services, and project monitoring);
  - Measures to improve the environment for investment
  - Announcements on changes to the national investment policy and laws
  - Accurate description of the investment climate; eliminate negative lingering and inaccurate perceptions of the local investment climate
EIGHT BASIC STEPS FOR EFFECTIVE IMAGE BUILDING

Step 4: Set goals

- What do you want to accomplish? Ideas may include:
  - Improving the perceptions of the local investment climate
  - Effectively promoting investment programmes and services
  - Enhancing the image of the country/location
  - Meeting the public relations needs of the country/location
  - Link these with the specific targets for number of firms, value of investments, employment generation, etc.
SETTING GOALS AND OBJECTIVES

- List the goals/objectives:
  - make sure that where possible these are SMART
  - gain agreement on the goals/objectives from the IPA team and other stakeholders
  - assess the priority attached to each objective
  - consider dropping or seeking to drop goals/objectives with low priorities
  - set the targets in relation to each goal/objective, such targets enable monitoring and motivate team members
  - ensure that the marketing theme fits the goals

- Set priorities and interim targets
Step 5: Develop image building strategy

- The strategy is used to reach your target audiences and convey your messages, as well as for forming the basis of your public relations plan.
- Some key elements of an image building strategy:
  - Marketing theme: USP
  - Target messages and promotion materials to investors
  - Continually develop public relations materials
  - Use a broad spectrum of media to convey the message
  - Build and develop media contacts
  - Work to position the local IPA as the best source of information (credibility building) for the media on investment related issues
  - Work to position the head of the local IPA as a regular spokesperson for the organization
MARKETING THEME PRINCIPLES (MIGA)

- The theme must meet investor expectations
- The theme must reflect your location’s USP: the characteristic that sets your location apart from and are superior to the competition as an investment location
- The message must be accurate and truthful
- The theme must be consistent with all promotional activities
- Focus your marketing messages on your sectoral/locational advantages, e.g. the availability of superior skills, industry clusters, superior infrastructure, etc.
- “Development package” approach: combination of factors offered by a location and cumulative benefits of this package
A VALUE PROPOSITION STATEMENT MUST CONTAIN:

- Description of "What" you provide (that others don’t)
- Answer "So what?"
- One Clear Message (but don’t oversell)
- Quantification of "How much“ (you can realistically provide)
- Evidence that you can fulfill your promises
IMPROVE YOUR VALUE PROPOSITION:
BE QUANTITATIVE

Market
- Not: The market is growing fast
- Rather: Our market segment is $2 billion/yr and growing at 20%/yr

Financial Benefit
- Not: The ROI is excellent
- Rather: Our one-step process reduces costs by 50% and results in an expected ROI of 50% per year with a profit of $30 million in year 3
EIGHT BASIC STEPS FOR EFFECTIVE IMAGE BUILDING

Step 6: Coordinate with other people’s and organizations’ schedules

- To be effective in your role as a public relations person, you must know what is happening (a) within your unit; (b) within the entire organization; (c) within other essential organizations (e.g. media outlets)

- Two major mistakes in public relations programming are:
  - Not knowing what others have planned
  - Not allowing adequate time to execute your plan
EIGHT BASIC STEPS FOR EFFECTIVE IMAGE BUILDING

Step 7: Communicate with your team members and other stakeholders

- In order to be successful, everyone in the image-building campaign must COMMUNICATE.
- Ask questions: You must know what is happening or what is planned.
- You must build your credibility for obtaining the information you need to operate.
EIGHT BASIC STEPS FOR EFFECTIVE IMAGE BUILDING

Step 8: Prepare a written plan and time schedule

- Have a written plan complete with deadlines for inclusion in the annual strategy or action plan submitted to the IPA’s advisory board/board of directors
PREPARE A Viable Image Building Action Plan

- Ensure that the estimates of timelines and budgets are realistic.
- Planning and communication include checking on the timing and availability of the required inputs and resources.
- Identify the critical success factors.
- Identify the likely barriers to success: skills not available, information not available, current work load too high.
- A detailed project plan helps to communicate objectives, resource requirements, schedules, and milestones.
TYPICAL INTERNATIONAL IMAGE BUILDING ACTIVITIES

- Invite foreign financial media on a tour at least once in a calendar year
- Regular interface of senior IPA officials with foreign media
- Dissemination of information and materials
- Participation in international trade and industry fairs
- Appoint members from overseas chambers of commerce or other business associations as “Honorary Investment Ambassadors”
TYPICAL DOMESTIC IMAGE BUILDING ACTIVITIES, CONT.

- Develop and place news releases each month
- Develop and place feature articles each month
- Media contacts of senior IPA officials or related government agencies: invite for interviews/press conferences
- Organize investor forums/road shows locally and abroad
COMPARISON OF IMAGE BUILDING AND BASIC INVESTMENT PROMOTION TOOLS

- **News Releases**
  - No placement cost or editorial control or definite guarantees of appearance
  - Effectiveness can only be achieved with persistent and repeated placements

- **Features/Articles**
  - No placement cost or editorial control or definite guarantees of appearance
  - Appearance limited for each placement to a few publications
  - Effectiveness can only be achieved with regular placements of different articles on a regular basis

- **Half-page “Advertorials”** (editorials with an advertising purpose, but submitted as regular news article)
  - Effective medium as there is total control over editorial content
  - Designed to blend with the newspaper layout

- **Advertising (print and electronic)**
  - Costs are very high
  - Effectiveness possible only through repeated placements
COMPARISON OF IMAGE BUILDING AND BASIC INVESTMENT PROMOTION TOOLS, CONT.

- **Magazine and newspaper supplements**
  - Less amount of credibility for the messages to be conveyed, as the output could be considered as not developed by the newspapers

- **Infomercials for TV**
  - Effective medium in terms of the fact that there is total control over the contents
  - High development cost
  - High placement cost
  - Limited airtime available
  - Effective message conveyance only through repeated placements which increases the cost

- **Website (separate presentation)**
Investment Ambassadors (IA) and Business Ambassadors (BA)

- The terms of reference of IA both locally and internationally should include the capacity to have news releases and feature articles published in leading financial publications, daily newspapers, & relevant periodicals in their respective area and location.
- Also the IA should distribute promotional materials internationally to the business community, chambers of commerce, trade bodies, etc.

Investment fairs, roadshows and conferences

- The cost of conducting an investment fair is not very high but higher for overseas roadshows.
- Ideally it should be followed right after the development stage of a particular sector or industry has been completed through a broad image building plan.
- Furthermore, the fair provides an opportunity to gain positive mileage in the media through pre & post-event news releases, event release, feature/article about the conference.
DEVELOPING THE BASIC INVESTOR PACKAGE

- The information that no investor can be without

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WHAT IS IN THE BASIC PACKAGE?

- Investment promotion “pamphlet” and guide to doing business
- Fact sheets
- The unique selling propositions about your location (to convince investors to locate there)
- Investment “opportunity profiles”
- Costs of doing business
- Latest issues of newsletters (if any)
- Other relevant information

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FACT SHEETS: KEY DATA AND FIGURES
2-4 PAGES LONG

- Key macroeconomic figures and data, including FDI
- Key figures on investment climate, including costs of doing business
- Key sector and location information
- Taxation and incentive regime
- Employment and hiring data
- Customs regime
- Principal laws and regulations
- Business matching opportunities
- Registration and setting up a business procedures
- Quality life
- Services provided by IPA
FEEDING INTO THE IPA’S WEB SITE

- Prepare all the contents/design/layout and production of newsletters, profiles, etc. in PDF (or other) format to be posted on the Internet (official IPA website) for downloading by potential investors.

- The upgrading of the website is a crucial element of the image building exercise - and very cost effective.
  - Avoid having: “Last date modified: Month X 2000” to show that you are constantly updating the site.

- It pays to have your website prominently placed in leading search engines (i.e. Google, Yahoo).
FUNDING THE IMAGE BUILDING ACTIVITIES

- The resources to fund the image building activities can be acquired from the following sources:
  - Government’s own resources
  - Sectors/industries for which investment is being sought
  - Private and public sectors of the countries which are being targeted for investment
  - Multilateral institutions
  - Larger foreign companies operating in your locality as they are often interested in attracting good suppliers/customers
CONCLUSIONS

- Image building requires a long term vision, strategy and implementation plan
- Investor perception studies might be a helpful instrument to change a certain image
- Image building is necessary to reinforce positive image or dispel negative image (i.e. create “realistic” image)
- Various tools are available ranging from newsletters, articles and advertisements to investment fairs and road shows
- The website also plays an important role in image building
- Along the process of investment promotion, the transition from image building to actual investment promotion gets blurred and the two processes often overlap
DISCUSSION ISSUES

- Has your country/location a positive image with overseas investors? If not, what can you do to improve it?
- Does your IPA have an image building and/or investment promotion strategy? What is more important for your country/location: image building or active investment promotion and investor targeting?
- If you have a concrete investment promotion strategy what is the objective of this strategy?
- What are your most active investment promotion tools: brochures, newsletters, opportunity or sector profiles, investment roadshows and fairs, website?
- What tool has proved the most successful in attracting FDI?
USING WEBSITE AND SOCIAL MEDIA
The main purpose of a website is to:

- Educate and inform - providing learning resources
- Market – promote your location and the services you offer to potential investors
- Support function - deal with investor requests via email, phone and feedback
- Support business - providing support information for an Investor application or business process
- Community - building a forum or community that Investors use to share ideas, experiences, issues, etc.
NINE COMPONENTS OF A WORLD-CLASS IPA WEBSITE

1. Authenticity of place branding and messaging
2. Clarity of navigation
3. User friendly
4. Depth and quality of content
5. User segmentation
6. Use of search marketing approaches
7. Use of email marketing and news sections
8. Frequent performance tracking
9. Use of maps and GIS technology
10. Use of new media
AUTHENTICITY IN PLACE BRANDING IS...

- Communicating a true and unique positioning of the region (USP)
- Utilizing recognizable national elements
- Capturing users’ attention to inspire them to use the site
CLARITY OF NAVIGATION IN WEBSITES IS...

- Use a simple top bar and/or side menus
- A prospect-specific section placed prominently
- Straightforward Navigation
- Providing the top ten most requested pages
- Keeping all valuable content three clicks or less from the homepage
SOME EXAMPLES IN PRACTICE

- No country dialing code
- No link under email
- No confirmation after sending inquiry

- Contact us link not intuitively positioned
- Normally positioned right corner of the site
GREAT CONTENT IS...

- Using a content management system that enables publishing of pages, downloadable documents, and data
- Weekly updates on news items and events
- Offering video content
- Direct – one click – access to Investment Guides
PROVIDE ONLY RELEVANT INFORMATION

- Information that is relevant for investors (e.g. operating costs, site and location advantages, incentives, business environment: taxes and regulations etc.)
- Sector specific information (manufacturing, services)
- Information that can be used for benchmarking and site selection
- Factsheets
- Include investment opportunities
- Categorize information
- Use multiple metrics and currencies for international investors
- If aimed at foreign investors it must be in English and language of other major investor home countries
KEY TO RELEVANT WEBSITE CONTENT

1. Understand your users. This is the key to developing meaningful and comprehensive content.
2. Segment your audience and prioritize your users (investors, site selection advisors, media, researchers, etc.).
3. Focus on helping each user type achieve its goals when visiting your website.
4. Start with the content you have and evaluate it for relevance, quality, and comprehensiveness.
5. Use reliable sources of content.
6. Then, fill in the gaps.
IPA WEBSITES – WHAT CORPORATE INVESTORS AND SITE SELECTORS NEED

What they (really) need:
- Contact information
- Incentive programmes
- Tax rates and cost info
- Recent announcements
- Testimonials
- Industry-targeted info
- Map of your territory
- Largest employers
- Area colleges and universities

What they don’t (really) need:
- General labour statistics
- Secondary source wage information
- General rankings
- Distance to other major cities
- General climate and weather conditions
EXAMPLE – INVEST IN SPAIN

Invest in Spain is considered a best practice example

- Headlines
- Regions
- Key Sectors
- Business indicators
- Success story
- News items
USER FRIENDLY

- Use easy to read fonts, medium-sized (e.g. Verdana, Arial)
- Use graphics appropriately
- Easy of downloads of PDF documents
USER SEGMENTATION

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SEARCH ENGINE MARKETING

- Search engines connect those who are already looking to you
- Clicks can be free (large list in main column), but ranking is harder to get
- Clicks can also be paid (ads at right), and be at the top of the list on the same day.

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EFFECTIVE USE OF SEARCH MARKETING IS...

- Ranking #1 when searching for “(your location’s) economic development”
- Ranking #1 for “your organization’s name”
- Utilizing paid search (pay-per-click or PPC) to drive additional traffic
TOP 9 SEARCH TERMS THAT DRIVE TRAFFIC TO IPA WEBSITES

1. Your organization’s name
2. Your city/region/province name “economic development”
3. Incentive type offered in your region (depends on community)
4. Resident company name (i.e. Boeing)
5. Region name (if different from city)
6. Organizational URL (without .com /.net .org)
7. Campaign name (initiative or fundraising)
8. City/region name “maps”
9. City/region name “industries”
EFFECTIVE USE OF EMAIL AND NEWS IS...

- Monthly email newsletter to investors, prospects
- Tracking performance of those newsletters
- Posting newsletters and news items to your website weekly or monthly

Invest Cayman Islands
STAY UP TO DATE – IF NOT IT WILL BECOME COUNTERPRODUCTIVE
SITE SELECTORS ARE USING SOCIAL MEDIA MORE FREQUENTLY – 86% USE WEEKLY OR MORE IN 2012, COMPARED TO 71% IN 2009

United Nations Economic and Social Commission for Asia and the Pacific
WHAT SOCIAL MEDIA NETWORKS ARE SITE SELECTORS USING?

- By far, LinkedIn was the most used source for information
- Facebook, RSS Feeds and Twitter are increasingly becoming more popular
- Blogs are less frequently used (hard to verify trustworthiness)

Source: ICA Research 2012
TODAY’S WEB 2.0 TRENDS – INTERACTION WITH YOUR STAKEHOLDERS

Your website

United Nations Economic and Social Commission for Asia and the Pacific
ABOUT LINKED-IN

• Over 100 million users worldwide, more than half outside the US
• “A professional network of trusted contacts.”
• Nr. 1 professional network database in Europe and US
KEY FEATURES OF LINKEDIN

- Your profile
- Your Contacts
- Your Connections
- Status updates
- Groups
- InMail Feature
- Applications
- Advertising
- Mobile Access
LINKED-IN:
SITE SELECTION EXPERT GROUPS

- Professional connections
- Discussion and support groups
- Interest Groups
OTHER ONLINE MEDIA TO REPURPOSE YOUR MESSAGE

- **Shareslide** ([www.shareslide.net](http://www.shareslide.net)), owned by LinkedIn:
  - Access to many slide and PDF presentations: great way to market the IPA message visually

- **Soundcloud** ([www.soundcloud.com](http://www.soundcloud.com)):
  - Distributes the IPA message by voice through podcasts, smartphone and iTunes

- **Youtube** ([www.youtube.com](http://www.youtube.com)):
  - Distributes the IPA messages online by video (visual and sound)

- **Twitter** ([www.twitter.com](http://www.twitter.com))
  - Social networking and microblogging
  - The SMS of the Internet

- **Web-blogs and webinars**
### SUMMARY: PAST & PRESENT OF INVESTMENT PROMOTION STRATEGIES

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RECOMMENDATIONS: INVESTMENT PROMOTION 2.0

- The rules of the game of location selection and investment promotion have changed
- Key Web 2.0 tactics for today’s investment promotion can facilitate your work
- Your website is considered your “shop window”: if it looks appealing and offers up to date information you significantly increase the chance of attracting more investment
- Various web 2.0 tools can support all your IPA activities
- However, the implementation and maintenance of all tools require discipline, continuous updating, hard work, dedicated research and an innovative mindset
DISCUSSION ISSUES

- How do you generally consider the quality of your IPA or investment promotion website? Is there more than one website?
- Could the contents and lay-out of the website be improved? Does the website of the national level IPA differ from those of local IPAs?
- Have you undertaken any evaluation of the use of the website and other investment promotion tools? What do investors think of your website and quality of other used tools?
- Does your IPA engage in reactive or pro-active investment promotion? Considering all your investment promotion efforts, are they focused and cost-effective?
- Do you make active use of social media? What is your experience with this?
Investor targeting and lead generation
DIFFERENCE BETWEEN LEAD GENERATION AND TARGETING

- Lead generation is the process of acquiring qualified investment leads, through:
  - Preparation of sector-specific information for investment areas to be promoted
  - Investor targeting through research and checking activities in foreign countries
  - Company visits, with a carefully prepared promotion package containing information on the opportunity, on the needs of the target company, and on the country in general
  - Careful follow-up and investment target nurturing

- Targeting is the process of actively pursuing investment leads and ideally promote these to actual investment projects
Investor targeting is a process comprising a number of related and either sequential/consecutive or simultaneous steps, tasks and decisions repeated as necessary.

Targeting is a means to gain the attention and interest of specific international investors through developing and confidentially promoting specific investment projects which may be of commercial interest to those investors.

There are five main principles which define targeting and distinguish it from more general « investment promotion ».

Overarching mission of an Investment Targeting Strategy (ITS): To direct the IPA to industries/firms/people with the highest probability of location/relocation to that region or country.

United Nations Economic and Social Commission for Asia and the Pacific
INVESTOR TARGETING AND DEVELOPMENT OBJECTIVES

- Governments follow national strategies to attract FDI in specific sectors to help achieve economic development objectives, cluster development and strengthen country and location images.

- Investment promoters take a proactive approach as a starting point and proceed to target foreign investors at the company and industry level.

- Investor targeting is a means to achieve strategic and sustainable development objectives as it is part of a coherent investment policy that is aligned with sustainable development goals.
INVOLVING LEAD GENERATORS IN YOUR PROXIMITY

For effective targeting and investment promotion, an IPA needs to build extensive networks with a set of key partners in the business-related sector, including:

- Ministries of trade and industry, and related government agencies at national and local levels
- Other ministries and government agencies, such as tourism, handicrafts, etc.
- Business associations, chambers of commerce
- Satisfied investors (“Ambassadors”)
- Honorary investment ambassadors
INVESTMENT TARGETING PYRAMID

Goals

Investments

Investment approvals

Investment applications

Investor location exploration ("reconnaissance") visits

Meetings with individual prospective investors

Investor contacts generated by promotional activities

1,000 jobs

Job Creation Goal

10 new investments

No. of Investments

18 approvals

No. of Project Approvals

20 applications

No. of Project Applications

100 site visits

No. of Site Visits

1,000 meetings

No. of Meetings / Presentations

10,000 contacts

No. of Investor Contacts

Source: The Services Group
FIVE PRINCIPLES WHICH DEFINE INVESTOR TARGETING

1. Target industries and sectors first and then move to active identification of specific investment projects

2. Carefully planned and managed investor search programmes

3. Investigation and analysis of specific corporate priorities

4. Confidential promotion to specific corporate executives

5. Single agency leadership
INVESTOR TARGETING AS A SOURCE OF COMPETITIVE ADVANTAGE

- A high quality investor targeting initiative will give your location a competitive advantage over locations with poor targeting skills.
- Going where there are fewer competitors = better chance of success.
- Professional targeting gives IPAs higher chance of success in attracting and retaining new FDI projects; and of gaining FDI better suited to the needs of your country.

Source: UNCTAD Third Generation Investment Promotion
TEN GOLDEN RULES FOR EFFECTIVE INVESTOR TARGETING

- Rule One: Do Your Research CAREFULLY
- Rule Two: Use the Investor’s Eyes and Ears
- Rule Three: Concentrate on Listening
- Rule Four: First Impressions Count
- Rule Five: Be Reliable and Truthful
TEN GOLDEN RULES, CONT.

- Rule Six: Understand Investor Needs
- Rule Seven: Only Promise What You Can Deliver
- Rule Eight: Always Exceed Client Expectations
- Rule Nine: Maintain Client Confidentiality
- Rule Ten: Focus on the REAL Project
# COMPARATIVE FIT ANALYSIS

## Industry Requirements:
- Semi-skilled/skilled labour (200-300)
- Technical/managerial labour
- 2,000-3,000 sq. meters high-end building
- 500 cubic meters water/month
- 350 kva electricity
- International air transportation

## Country’s attributes
- Average
- Weak
- Limited, can’t lease
- Supply uncertain
- Weak
- Available; limited destinations; no charters

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United Nations Economic and Social Commission for Asia and the Pacific
COMPETITIVE TRENDS ANALYSIS

Examples of possible trends in an industry/sector:

- **End User Trends**
  - Recession affecting major markets
  - Zero growth in shipments

- **Industry Trends**
  - Retrenchment of Japanese firms.
  - Expansion into China and India (clusters)
  - Outward investment by China and Rep. of Korea
INVESTOR COMPANY SELECTION

- Company market and product
  - Growth statistics
  - Market share, presence, export share
  - Technology, production process

- Company profile
  - Overseas operations, Asian and/or subregional (e.g. ASEAN/SAARC) presence
  - Corporate alliances
  - Size and resources, financial performance

- Decision-makers and process

- Pre-screening and initial contact
USEFUL COMPANY DATABASES (I)


- **Strategis Web Site** [http://www.ic.gc.ca/eic/site/icgc.nsf/eng/home](http://www.ic.gc.ca/eic/site/icgc.nsf/eng/home) sponsored by Industry Canada, presents data in both French and English, and has a wealth of sectoral and other information.

- **Europages** [http://www.europages.com](http://www.europages.com) provides data on European market trends, sectoral indicators, and company information (500,000) for 30 countries.

- **STAT-USA** – [http://www.stat-usa.gov](http://www.stat-usa.gov) (from the US Department of Commerce)
USEFUL COMPANY DATABASES (II)

- **EDGAR** (electronic data gathering analysis and retrieval) system [http://www.sec.gov/edgarhp.htm](http://www.sec.gov/edgarhp.htm) was established by the US Securities and Exchange Commission (SEC)

- **EMIS** [https://www.emis.com](https://www.emis.com). A Euromoney institutional investor company that lists over 1.4 million companies from trusted sources in over 250 industries in over 120 emerging markets

- **Hoovers** [http://www.hoovers.com](http://www.hoovers.com) offers company profiles and information on company officers for free. Paying members can find additional news and background information

- **Companies Online** [http://companies.lycos.com](http://companies.lycos.com) is a searchable directory featuring detailed free information on 900,000 public and private US companies, all with sites on the Web
INVESTOR COMPANY TARGETING TOOLS

- There are different targeting tools to effectively approach potential individual investors
- Your IPA can start with the following two components:
  - CRM Database: For all lead generation measures you need a database containing companies to target. Linking up with other lead generators (e.g. chambers of commerce, ministries, etc) is a proven strategy to develop a CRM Database
  - Personal Relationships: Investment Promotion Managers should develop and maintain personal relationships with decision makers of transnational corporations
PERSONAL RELATIONSHIPS MATTER!

- Ideally, Investment Promotion Managers enjoy a wide network of corporate and governmental decision makers.
- In most cases corporate investment decisions are kept confidential and personal relationships may help to reveal possible investment plans.
- Use your personal relationship to extend your network. Make sure you maintain your network regularly.
  - This requires a systematic approach:
    • Provide regular updates to stay in contact;
    • Manage and use insight information as a result of personal relation;
    • Listen carefully, act accordingly and keep promises;
    • Whatever is learnt, keep confidentiality.
There are different Lead Generation techniques that vary in intensity and costs.

As an IPA you need to use the appropriate promotion techniques given your priority sectors and the likelihood of attracting a new investment project.

Involve also other lead generators or “Ambassadors.”

Targeting is only effective in combination with the right marketing tools.

Targeting results increase when the targeting is more focused on priority sectors and niche markets.

Targeting is not a one time exercise and requires perseverance, patience, creativity and relationship building.

Do not expect results over night but incorporate 12 – 48 months time span before targeting becomes effective.
DISCUSSION ISSUES

- Does your IPA engage in active sector/industry and company/investor targeting and profiling and lead generation?
- What database does your IPA use? Is this database of sufficient quality? How could it be improved?
- Are costs a constraint to do more investor targeting?
- What sectors and companies does your IPA promote/target for FDI? Are these target in line with your countries: (a) needs: (b) competitive advantages?
- What are your experiences with giving company presentations and following leads? Have they been successful? If there were failures what were the reasons for this?
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Your questions please?