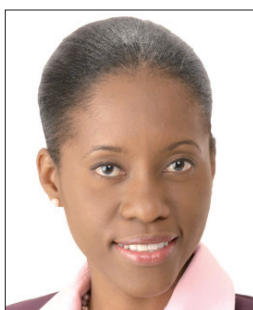


The importance of being innovative

INTERVIEW WITH ANNELLE JOACHIM

VICE PRESIDENT, THE BUSINESS DEVELOPMENT COMPANY LIMITED, TRINIDAD AND TOBAGO



ANNELLE JOACHIM graduated with a BSc in Management Studies and holds an International MBA from the UWI Institute of Business, now the Arthur Lok Jack Graduate School of Business. Over the past thirteen years her work in the export arena has taken her to the OECS islands, French and Dutch Caribbean Islands, Suriname, Jamaica, and Barbados. Ms Joachim joined the Business Development Company Limited in 2004, where she currently holds the position of Vice President, Business Development.

Trinidad and Tobago is seeking to capitalise on its established yachting and merchant marine expertise

How would you sum up the role and responsibilities of the Business Development Company?

The Business Development Company (BDC) Limited is a business support organisation in which the Government of Trinidad and Tobago has a 65 per cent shareholding, with the remainder of the equity held by a number of private sector companies and financial institutions. Although technically a parastatal organisation, we report to the Ministry of Trade and Industry (MTI), so there are certain roles and responsibilities that we undertake on their behalf. Our mandate is essentially to assist businesses of all types and sizes in their efforts to expand, both domestically and overseas, through the provision of financial and technical support.

In keeping with the government's policy of diversifying the economy of Trinidad and Tobago away from oil and gas, we tend to focus primarily on the



non-oil sector, although of course there are many small and medium sized companies that provide products and services to the industry with whom we have worked very successfully. Ultimately, the oil and gas are not going to last forever, so we need to make other types of businesses sustainable in order to create new revenue streams for the future.

The government has identified seven sectors which they believe show considerable potential for growth, namely: food and beverages, seafood, printing and packaging, film, music and entertainment, yachting and merchant marine, so we try to give priority to those as well as other promising areas such as ICT and financial services.

In addition to our traditional role as a provider of financial and technical support, our portfolio has recently expanded to include trade promotion, which was previously handled by another organisation, and we are now also the certifying body for all exports leaving Trinidad and Tobago. So, when the government has some new initiative, be it financial or otherwise, they will usually ask the BDC to administer it.

Outside of Trinidad and Tobago, we can offer professional and skills development training. These programmes are proving to be successful here in Trinidad and Tobago and as more and more companies begin to understand the importance of training we are starting to see an increasing amount of business in that area.

How do you judge the success of your efforts?

Right now we are in the process of examining best practices to determine the industry standard on monitoring and evaluation for the services we provide. We do follow-ups with our clients over a period of six months to a year to see whether the intervention that we made was successful at the end of the day and to find out what changes these companies are implementing as a result. We report our findings to the MTI.

Since assuming the trade promotion function that I mentioned, we have assisted a few companies to attend international trade fairs, particularly the larger companies, our follow up usually takes place 6 months to a year thereafter as it usually takes that amount of time for a lead to materialise into a sales success.

Whilst it is encouraging to see these companies coming back time and again – and therefore presumably

benefiting from the exercise – it is also a cause for concern that many of the smaller and micro enterprises are not getting on board as yet. In future therefore we are going to focus a lot of our efforts on identifying the specific needs of these small and medium companies and making sure they have a programme in place to get them to export readiness.

Who are your typical clients?

I would say the most common are the medium sized enterprises, followed by the smaller companies and then the large ones. It is very rare that we have micro sized enterprises coming to us.

The majority of companies that come to us are looking for help to grow their businesses domestically, opening more branches and so on, rather than expanding outside Trinidad and Tobago. I think there's definitely a tendency for companies to fall into a comfort zone and be satisfied with what they've got, but with the many changes taking place in the international trading arena they are going to find it hard to stay small and survive as the market becomes increasingly competitive.

What are the most common challenges they face?

A lot of the smaller companies are challenged by what they see as a lack of access to financing, but I think the real challenge is that many of them may not be well versed in the expectations of a Financial Institution in approving financing for their business venture. Some of them look at it like taking out a personal loan, but it's not that simple – it's a commercial deal in which they are asking a financial institution to give them a loan (and the BDC to guarantee that loan) on the premise that the business projections they have made are actually going to come true. Quite a few small businesses are not able to develop accurate cash flow projections and this makes it difficult for a Financial Institution to approve the application.

Further, there are a host of different agencies, chambers, business associations and financial institutions out there offering support for business development activities and perhaps not enough synergy and streamlining of efforts which may result in duplication and some confusion in the minds of the client.

Another problem that a lot of businesses experience is in the area of staffing. Many people may lean more towards hiring a relative because they think it may be easier to manage but at times this may not always be so. Another problem is the fact that many small business owners do not maintain proper records and at times may tend to rely on less sophisticated equipment and machinery because it costs less, but in the long run, may jeopardise the quality of their output.

If companies in Trinidad and Tobago, with all the support systems, infrastructure and accessible credit that derive from the country's natural resource wealth, are finding it difficult to compete and expand internationally, where does that leave the other islands?

I think it cuts both ways. On the one hand the fact that the other islands don't have the same natural resources to fall back on means that they have no choice but to work hard, innovate and be creative. On the other hand the fact that they don't have the steady revenue streams that come with oil and gas can make it harder for them to get finance, although I think that international donor organisations are more inclined to work with them and support their activities for those very same reasons.

At the end of the day it all comes down to the individual, the organisation, their mindset and the objectives that they set themselves. There are plenty of highly successful businesses across the region, including those that have entered into joint ventures with companies from the US and Europe in order to achieve the scale to compete internationally. At the same time here in Trinidad, for example, there are companies that are small in terms of staff – some with no more than five employees – that are doing fabulous work and generating a lot of wealth for the economy. ►

Our primary function should be assisting smaller companies to reach the point where they are ready to export, not subsidising larger companies

The rapidly changing face of Port of Spain



Calculated risk taking is a must for any successful business, whether they are in the Caribbean or anywhere else

◀ It all depends on how badly you want to move forward and how you go about equipping yourself to get there. It's one thing to have a good business plan to get yourself started; what a lot of small businesses don't realise is that you need to have a strategic plan, and put things in place in preparation for where you want to be in five or ten years' time.

What do you find are the most common misconceptions among Trinidadian entrepreneurs about doing business elsewhere in the region and particularly with their Latin American counterparts?

One of the major mistakes that people here make is to assume that if they try one time and get rejected, that's it – time to move on to the next prospect. The vast majority of companies that have succeeded in the international marketplace have done so because they persevered – they followed up on their initial contacts, they bought gifts or whatever for the people they wanted to do business with, and they generally went the extra mile.

The second thing is that a lot of them believe that the government is not on their side. They equate government with taxes, regulations and penalties, and fail to recognise the support and advice that the government makes available to them. At the same time, when they do come to us they may tend to relax and wait on government, which is fine but at some point they need to learn how to launch out on their own and take a chance.

What do you regard as the key to successful expansion in the region?

One of the key things is to keep innovating. I know it's a cliché but it's true – I've seen it happen. There is a

company here in Trinidad, for example, in the cosmetics business that has done extremely well across the Caribbean and in the US, and continues to expand.

When the founder of the company first looked at getting into the cosmetics industry, he did his market research and decided that instead of trying to compete head on with the Revlons of this world they would focus specifically on Caribbean women, who obviously have a different skin tone to European women, for example. From the outset they identified a niche market and developed a specific product to cater for that market, and now they are able to leverage that success to branch out into new areas.

Other key factors include ensuring that you hire the right people. A lot of people will promise you the earth in an interview but when you get them on board you quickly realise that they can't deliver, at which point you need to tell them it's not working out and move on, rather than allowing them to drag your business down with them.

Calculated risk taking is another must for any successful business, whether you're in the Caribbean or anywhere else. I'm not saying you need to be reckless but you shouldn't be so afraid of failure that you never give yourself the chance to succeed.

Last but not least, I think market research is critical. There is no excuse for not doing your homework, particularly when there is so much information freely available on the internet. You need to understand the markets that you want to get into and find out what the requirements are to get into them. And again, you need to have that expertise residing in your company. You can outsource a lot of things but I think that a well informed and resourced research department is essential for any company looking to succeed internationally. **19**



Trinidad and Tobago's Carnival tradition is one of the country's most successful exports