



# CBI's Export Coaching Project on Home Decoration Indonesia

## ***Invest in your future by exporting Home Decoration (HD) to Europe!***

You own or operate an Small and Medium sized enterprises that manufactures HD products. You are based in Indonesia and you export your products to Europe - or have the ambition to do so. You want to learn; you want to grow! You could use a little help!

If this sounds what you wish for, our Export Coaching Project may be just what you are looking for. We are CBI, the Centre for the Promotion of Imports from developing countries, and we would like to help you establish a solid position as an exporter to Europe. As a participant in our project, you will receive individual guidance. You will benefit from our training and skills development expertise and our knowledge of the market. We will help you make the right choices and identify the most promising markets. We will work with you to ensure your products meet the European standards. Our experts will teach you better ways of presenting your business, on your website, at trade fairs, and elsewhere.

## ***Who are we?***

The Centre for the Promotion of Imports from developing countries (CBI) is part of the Netherlands Enterprise Agency (RVO.nl) and works on behalf of the Netherlands Ministry of Foreign Affairs. CBI contributes to sustainable economic development in developing countries by promoting exports from these countries. By increasing the export-related knowledge and skills of entrepreneurs and helping them enter European markets, we aim to strengthen their international competitive capacity. Our projects are focussed on exports to member states of the European Union and the European Free Trade Association (EFTA).

## ***Home decorations in Indonesia***

CBI has run projects for many years in Indonesia in the home decorations sector. Recent study shows that in the past decades, Indonesia has developed the HD value chain as a flexible, complex and dense network of manufacturing companies, sub-contractors and home workers with manufacturing hubs in Java (Cirebon, Surabaya and Yogyakarta). With the recent changes in market structure and dynamics, this network has proven less responsive to changes than earlier. Competitors such as China and Vietnam are taking important market shares, especially on the lower and mid-low end of the market. There is a need for a more integrated approach in the HD value chain in Indonesia than in the past to improve the export competitiveness of the sector sustainably. This can be achieved through a combination of market intelligence, design efforts, focus on sustainability and sustainable partnership building within the national HD ecosystem of suppliers, sub-contractors, manufacturers and designers.



## Objective of the project

At the end of the project The Indonesian HD sector and the relevant stakeholders are capable of supporting further export development of the chain.

### *A powerful and practical project*

To enter the European market, candidates need expert knowledge and a thorough understanding of the European HD market including corporate social responsibility (CSR) requirements. **CBI's expertise and its global network of independent experts and Business Support Organizations (BSOs)** ensure that your company will be guided to success. The project consists of the following elements:

1. Business Audit and (CSR) Action Plan.
2. Export Capacity Building.
3. Market Entry.

Within one to two years, the project aims to endow your company with the right training and support to enter the European market. Once ready for the European market, we introduce you to potential European partners to increase your exports. We continue to support you in this process until you develop sustainable on-going relationships with European buyers.

Besides focusing on SMEs focus during this programme will also lay on capacitating the local Business Support Organisation in becoming capable in delivering Business Export Coaching (BEC) services supported by the Export Enabling Environment (such as branch organisations, government departments). Selected SMEs are asked to play an active role to strengthen local services through knowledge transfer.

The duration of the project is from 2019 to 2024

## Project outline

### **The Business Audit and Action Plan**

Based on incoming application forms, (a) CBI sector expert(s) make(s) a pre-selection of companies that meet the selection criteria and are eligible for participation.

Once your company is pre-selected, (a) CBI sector expert(s) will visit you to carry out a so-called business audit, evaluating factors crucial to export success such as:

- Production facilities and capacity.
- Price.
- Marketing and management skills.
- Product features and packaging.
- Certification.
- Quality and safety.
- Labour conditions and other relevant 'Corporate Social Responsibility' (CSR) issues.
- Compliance with the European market access requirements.



The business audit leads to an action plan, describing areas of improvement, required measures and deadlines. At this point, a decision is made regarding the final selection of participants. Companies that have been selected and have reached an understanding with CBI on the action plan will become eligible to tailor-made CBI assistance based on individual needs, provided in the framework of this project.

### **Export Capacity Building**

Technical assistance offered in the Export Capacity Building phase consists of on-site consultancy by sector experts, distant guidance and training inclusive market orientation at the European market and increased awareness of CSR.

While implementing the (CSR) action plan, your company will be visited by one or more CBI sector expert(s) for more assistance, covering every key export area. They possess extensive knowledge on the European market, which will be at the disposal of your company.

During the entire project, the CBI sector expert(s) will render distant assistance. The expert(s) can advise your company and give access to his network and knowledge.

In addition to this, export marketing training will be given, to familiarise you with the European market and to equip you with practical skills on export marketing, export management and promotion in your sector in Europe. You will develop your own Export Marketing Plan for the European market, for the writing of which you will receive (individual) counselling.

At the end of the Export Capacity Building phase, the company is able to meet the European market demands including CSR and has familiarised itself with the European market. Furthermore, an Export Marketing Plan has been developed. Monitoring takes place through the Export Audit which consists of the following components:

1. Technical assistance (visits) by CBI sector/local expert(s).
2. Distant coaching.
3. Training including Market Orientation at the European market.
4. Training and coaching on CSR.

### **European Market Entry**

The focus within the European Market Entry phase is on exports to European markets. In order to promote your company and products, you will participate in (a) suitable market entry activities for your products such as European trade fair(s), B2B missions or online marketing.

As a result of participation in this project phase, the participants will gain knowledge about marketing their products on the European markets and will acquire relevant European business contacts.

Upon concluding this project phase, you (as a participant) should be able to secure yourself a sustainable position at the European market. However, this depends of course on factors such as your commitment and willingness to stay up-to-date with market developments.



## **What are the benefits of the CBI's Export Coaching Project HD Indonesia?**

CBI offers access to a large number of European countries. The more time, effort and finance you are prepared to invest in our Export Coaching Project, the more you will benefit. When you have completed the project, you will be all set to export to your target markets, thus growing your turnover, profitability and productivity. Compared to your competitors, you will have added considerable value to your business and the home decorations sector in Indonesia

## **Are we looking for you?**

This project is targeted at HD companies in Indonesia that are interested and have the capacity to export to Europe. Eligible products for this project are unique products for the home of wood, rattan and natural fibres with a story. Please note, large furniture items are excluded.

What do we expect from our participants?

- A pro-active and flexible attitude.
- Willingness to share gained knowledge and expertise to sector activities.
- Commitment to participate in the activities and external coaching throughout the project.
- Commitment and sufficient time available for needed investments as a result of a tailor-made-action plan for your company.
- Willingness and ability to invest in your company and in international market entry, both in terms of staff allocation and in necessary adaptations of your products, production and export marketing. This concerns, among others, part of the costs of the trade fair participation which are not covered by CBI and its partners like the cost of travelling, lodging, sending samples etc). More detailed estimation of investment required will be discussed with the company during the company assessment/selection phase since this is company specific.

## **CBI selection criteria**

### Type of Company

The company is preferably a producer/manufacturer and (intends to) performs the export function itself. If company is not producing itself, it should be able to demonstrate that it has sufficient influence on its third party supplier(s) in order to be able to implement any required product/production adaptations.

### Products offered

Company offers products which fit in the selected range of products of this CBI project (see above under 'Are we looking for you?').



### Ownership

- The company is at least 51% locally owned by owner(s) residing in the country itself. Foreign co-ownership is only allowed if the co-owner resides in another developing country in the income categories lower than UMIC: Upper-Middle-Income Countries.
- The company is not a joint venture with a company based in a country with a classification of UMIC or higher.

### Company size

- From 5 to 500 employees. When you have in-house production, the company should have at least 25 employees.
- The company is not part of a bigger group. An exception can be made if it is demonstrated that the applying company operates as a fully independent entity and can make its own business decisions, among others, on export strategies and investments required for export promotion and development.

### Licensing commitments

The company has no licensing commitments which would prohibit or severely limit export possibilities to Europe.

### Export readiness

- The company already has export experience or exporting is expected within a period of maximum two years.
- The company has sufficient production capacity or is able to expand production capacity easily.
- Price levels of the products/services offered are competitive for the European market or can be adapted to an acceptable level.

### Complying to essential European (non-) legislative market requirements

Company complies to essential European (non-) legislative market requirements which otherwise would prohibit or severely limit European market chances or if not, compliance is expected within one year after selection for the CBI project.

### Communications skills

The export company has or is prepared to appoint a designated export marketing manager who has a sufficient command of the English language in order to guarantee proper communication with CBI experts during coaching/training activities and potential buyers at international trade fairs in Europe.

### Corporate Social Responsibility

Company has CSR standards in place and/or is willing to improve its standards in the field of human rights, working conditions, health and safety of its employees, environmental sustainability and company integrity.



## Investments

- Willingness and capacity to invest in adaptations of, for instance, product assortment and production processes, if and as required by the European market.

## No commitment fee

No commitment fee has to be paid.

Note that investments in your company, products and personnel will have to be born by the company and more detailed estimate of investment required will be discussed with you during the selection phase.

## How to enrol into the project?

If your company complies to the above mentioned CBI selection criteria and you are interested to join this CBI project, please duly fill in the application form CBI's ECP Home Decoration Indonesia and send it to [consumer@cbi.eu](mailto:consumer@cbi.eu).

## Contact

Should you have questions on any aspect of the project, please send your email to [consumer@cbi.eu](mailto:consumer@cbi.eu). We would love to welcome you into the project!



Please note: Deadline for application is  
31<sup>st</sup> of August 2019