



Ready For the Leap Across the Pond?

The United Kingdom Offers U.S. Companies a Congenial Foothold in the Global Marketplace

> BY REBECCA ZICARELLI



Arthur Mabbett of Mabbett Associates

As an industry, environmental engineering has matured in the U.S. So when Arthur Mabbett wanted growth opportunities for his company, Mabbett Associates of Bedford, MA, he looked to Europe, where the industry is experiencing the same high-growth curve that it saw in the U.S. after the passage of the major environmental legislation two decades ago.

Mabbett explored setting up a European division in Ireland, Germany and the U.K. He finally opted for the U.K., where he launched Mabbett & Associates LLC in 1996.

“Business is conducted in a manner

similar to the U.S.," Mabbett says. "Business is professional and friendly, the ethics are similar."

TRADING PARTNER

The United Kingdom is among New England's largest trading partners. The common language, culture, and ease of travel and transport are all key drivers for U.S. companies looking to expand into the global marketplace.

In 2003, U.S. companies exported nearly \$34 billion of goods and services to the U.K., and exports from the New England states exceeded \$2.3 billion, according to WISERTrade data.

But it's very much a two-way street. U.K. businesses invested \$22.5 billion dollars in U.S. businesses during 2003, more than twice the amount of money invested in this country by any other nation, and the New England states received more than \$1 billion of imports from the U.K.

Beyond the common language and culture, Mabbett says the amount of support he received from the British Consulate and the Department of Trade and Industry were crucial to his decision to locate in the U.K. "They were helpful with everything from grants to financing, loan guarantees, reimbursements for marketing materials and literature, references to others. Inward investment is a focus of this country. If an individual promises to do something, it, in fact, happens."

David Chun, deputy-consul general for the British Consulate Boston, located just across the Charles River in Cambridge, says he and his staff are

there to assist businesses interested in developing partnerships with U.K. businesses or investing in the U.K. The office is staffed with sector specialists who can help interpret U.K. regulations and policy.

The staff spends a lot of time networking with the academic institutions and businesses in New England, Chun says, "studying emerging ideas and

sure you're prepared for the global market is crucial, says Ron Pariseau, vice president of procurement for the Invensys Process Systems in Foxboro, MA, a leading supplier of instruments, systems and services for industrial process automation. Invensys was founded in 1908 as the Foxboro Company, and acquired by SIEBE PLC, now called Invensys PLC of Windsor, U.K., in 1990.

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technology to see where business might move forward from there." It's all in an effort to have the networks ready to assist businesses such as Mabbett & Associates that want to make connections on the other side of the pond.

"We add the best value through the people we know," Chun says. "We're here to try and assist British firms sell goods and services into the U.S. market. The best way to do that is to link them up to American companies. An important part of doing that is identifying the American companies here to help, as well."

PROVIDING SUPPORT

Doing your research and making

In the early 1990s, Pariseau says he helped form a supply-chain management association, the New England Supplier Group, to help small- to mid-sized companies compete with the assistance from a group of large global partners including Invensys. What he found disturbed him, he says. "Smaller companies didn't have an interest in doing business outside the U.S. They worried about the overhead they would have to invest and regulation. They were willing to work with us and supply stuff we might integrate into our products, as long as they didn't have to support products outside the U.S."

Yet the willingness to provide support outside the U.S. can make or

break attempts to go global. TKT, a bio-pharmaceutical company in Cambridge, Mass., develops drugs to treat rare diseases. Neil Kirby, senior vice president of product development, says their facility in Cambridge, England, is key to their success for products such as Replagal, a drug for the treatment of Fabry Disease, in the E.U. market. "Our research and most of our development is done here in the U.S.," he says. "In the U.K., we set up a technical support operation for pharmaceutical vigilance to direct safety, and to oversee European clinical trials." Because the E.U.'s pharmaceutical-licensing agency, European Medicines

never found buyers. TKT to invest in a U.K. presence requires starting at an early stage, working with companies long before they're ready to make a U.K. investment. "We ask companies, 'What are your business' big drivers? What do you need to accomplish? Based on that, we'll work with you to find a market entry strategy."

The investment in facilities overseas is a daunting prospect for smaller manufacturers. Many opt to compete as exporters only. And the products shipped to the U.K. are legion—everything from lobsters and blueberries to aircraft parts and computer equipment. But according to WISERTrade,

never found buyers.

"If you're a U.S. company looking for buyers in the U.K., being from the U.S. is a strike against you, just because there's a culture of buying locally," Pariseau says. "Are you on an equal footing if they have a competitor with a similar product? If you have a superior product, you might have a slight edge. With a unique product, you might have an opportunity."

According to Pariseau, Invensys will take an order for a \$1.5 million integrated system with hundreds of parts and have it ready to ship in a day and a half. Running a global supply chain that can react that quickly depends on efficiency. In his experience, smaller companies were willing to run that lean and efficient only when Invensys required it. Yet it's crucial for companies hoping to compete against locally made products and services.

Mabbett would take it a step further. "The locals in a foreign country want to see that you're committed," he says. "In the E.U., that happens faster than in South America or the Far East because of the culture and ways of doing business. Still, a commitment takes time and effort. Going international isn't something that's going to mature in a week, a month or a year."

If you've got a product or service that you think will flourish in the U.K. markets and beyond, the British Consulate is ready and willing to help you, and Bouthot stresses that that help is free of charge.

And as Mabbett has found, the results are worth the effort. "It's very much a two-way street," he says. "It's helped our U.S. business."



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➤ RON PARISEAU VP of procurement for The Invensys Process Systems

Agency, is located in London, the U.K. is a convenient choice for a Euro-presence.

ENTRY STRATEGY

Cynthia Bouthot, vice-consul of investment at the British Consul, specializes in assisting with companies who want expand to the U.K. She says she recognizes that encouraging companies like Mabbett & Associates and

more than \$128 million of 2003's imports from the U.K. were items being re-imported to the U.S., some used and being shipped back for repair, others in new condition. It's the single largest group of imports from the U.K. And while returned items include military apparel and gear and charitable contributions, there are several million dollars of merchandise shipped back new that