

SIPPO'S JOURNEY: EMPOWERING PERUVIAN EXPORTERS FOR SUCCESS IN EUROPEAN MARKETS

INTRODUCTION

In the bustling world of international trade promotion, SIPPO (the Swiss Import Promotion Programme) and its teams have been making an impact on the export landscape in Peru. This case study takes you on the journey of its approach and its success stories, with insights from the SIPPO team, its strategic Business Support Organisation (BSO) partner, PromPeru, and two Peruvian exporters, Ecoandino and Algarrobos Organicos.

SUPPORTING PROMPERU

SIPPO collaborated with the government-owned BSO PromPeru to support export-ready companies primarily focused on entering European Union (EU) markets. SIPPO's approach with the BSO is straightforward but effective – it supports them with capacity development to navigate the entire trade fair journey, from pre-show training to support during the show and post-show follow-up. To promote independence and ownership, SIPPO expects BSOs and exporters to self-finance their participation, ensuring a sustainable approach.

Under this partnership, SIPPO engaged trade and development consultant Charles Mordret (from its panel of experts) to provide targeted support at the BIOFACH and Vivanness trade fairs. Both of these trade fairs are internationally renowned for organic foods, health, and cosmetics. The collaboration aimed at enhancing the knowledge and capacity of the BSO, enabling them to train companies participating in international trade fairs to enter European markets for the first time.

The results have been positive; Charles's technical support and process have been well-received by the BSO and will be utilized in its future activities.

PROMPERU'S EVOLVING ROLE: GUIDING THE NEWCOMERS

PromPeru plays a pivotal role in the Peruvian export scene by reaching out to small and medium-sized enterprises (SMEs) lacking experience in exporting to EU markets. For this reason, the BSO serves as an important SIPPO entry point.

SIPPO's support is designed to complement PromPeru's existing coaching program, offering a comprehensive package from pre-show training to post-show support. Many of the companies supported under the SIPPO partnership already have a track record of exporting to smaller regional markets in Latin America but **need guidance to navigate the complexities of EU trade**. Additionally, whereas PromPeru traditionally supports larger exporters (with export revenues over USD 10 million), this partnership **focuses on supporting smaller and medium-sized exporters** (with export revenues under USD 2.5 million).

A key change in PromPeru's coaching program was the intensive, customized support provided to exporters regarding trends in the European markets, international buyer expectations, product quality, and standard certifications. This information was shared in pre- and post-show sessions and

generated sufficient interest for non-trade show attendees to participate as well. Additionally, the post-show session included one-on-one feedback sessions and facilitated networking among participating companies, providing a platform for sharing experiences and learning.

The coach actively observes the companies' performance during the show, assessing how they pitch and interact with international buyers. This culminates in customized feedback, provided directly to the companies after the trade show.

~PromPeru

PromPeru noted positive observable changes in how participating companies approached international buyers and closed deals. Specifically, they observed a significant improvement in the companies' recognition that merely securing deals in trade fairs is insufficient. It is important to build lasting relationships with buyers, and they acknowledged that each country and region's markets come with their own nuances, and a single approach will not result in global sales. Three of the seven participating companies had started exporting as a result of attending the BIOFACH trade show.

ECOANDINO: A TALE OF TANGIBLE GROWTH

Ecoandino, one of the exporters PromPeru and SIPPO have supported, stands as a testament to the positive outcomes of SIPPO's guidance. The company confirmed that its participation in BIOFACH helped it secure deals, provided insights into market trends, allowed them to witness and learn from their competitors up close, and enabled them to meet potential clients in person. The company had been in conversation with one client for over a year and was able to meet in person at BIOFACH and seal the deal.

Their journey at BIOFACH allowed them to secure eight new customers, five of whom constitute a significant portion of their export revenue. This achievement resulted in over half a million USD in revenue and expanded their global reach, with two customers sourced from outside the EU (United States).

Consequently, this resulted in the company investing in training their teams on customer negotiation styles, as adapting to different customer preferences is crucial in converting potential leads into valuable clients. Beyond this, they also invested in infrastructure, machinery, and new product lines to increase their competitiveness.

These investments further underscore the company's commitment to export-related growth in the following years.

If you are an organic exporter, you have to be at BIOFACH-Germany. We also saw some peers attending Vivaness trade fair, which is for cosmetics. There is a lot of scope for organic products to be used in cosmetics, so we plan to explore that market soon.

~Ecoandino

ALGARROBOS ORGANICOS: THE COMPETITIVE EDGE

Algarrobos Organicos, another Peruvian exporter, reaped the benefits of its participation in BIOFACH 2023, supported by PROMPERU. Through this experience, the company gained a competitive edge in the organic superfoods industry, with its visibility at the event leading to over 80 commercial contacts with key industry stakeholders.

The direct result of its participation in BIOFACH in 2023 was securing new orders worth approximately \$100,000 from countries such as Germany, France, and Portugal. The company stated that, in addition

to the support received, its own commitment to quality and ethical production, along with certification and in-house capabilities, played a vital role in its success.

CONCLUSION

SIPPO's involvement in Peru's trade promotion has provided BSO PromPeru and Peruvian companies with the early guidance needed to explore EU markets. In the long term, PromPeru plans to expand its portfolio of exporters to include more small and medium-sized exporters and to explore new markets, such as Eastern Europe and Nordic countries, to achieve sustainable growth.

Ecoandino and Algarrobos Organicos are just two examples of the successful first-time Peru-EU exporter stories that have emerged thanks to SIPPO's simple yet effective approach. SIPPO's journey continues, creating opportunities, fostering growth, and ensuring that Peruvian businesses are well-prepared to explore international markets.