



**YOUR GUIDE TO GOING
GLOBAL: HOW GRANTS
CAN HELP AUSTRALIAN
STARTUPS CRACK
INTO INTERNATIONAL
MARKETPLACES**



Introduction

Many Australian businesses think that international markets are too costly to enter and too far away to manage.

The fact is, competitors – such as Amazon – reach out to millions of potential customers each day, and if you're not reaching out the same market, you are going to be left behind by online businesses and low-cost supply chains.

Whether you're a fashion designer in a Richmond factory or creating software out of a garage on the Gold Coast, hundreds of export customers are already waiting for you.

So, where do you start?

This ebook is designed to help. In this ebook we will tell you everything you need to know about the Export Market Development Grant (EMDG) – an incentive to help all small businesses crack into overseas markets. This Federal Government grant is available to all Australian businesses with generous cash benefits and no strings attached.

In this ebook we've spoken to successful grant recipients to show you just how far the EMGDG can take you and your business.

Happy exporting.

Eloise Keating
Editor, SmartCompany

What's stopping you from selling overseas?

Starting a business is trying enough on its own; many business owners don't give exporting a second thought. But the potential benefits are enormous.

In the 2016-17 financial year alone, EMDG grants worth \$131.4 million were paid to 3166 Australian businesses.

Research conducted in 2018 found the timing for entering the export market could hardly be better:

- Confidence among exporters is 10 percentage points higher than at this time last year
- Half of all exporters expect to add new staff in the next year
- Sixty per cent of businesses expect higher profits

Can you afford to miss out on these overseas opportunities?

You might be ready to start exporting right now

The idea of exporting may sound like you need to make products that go in a container on a big old slow boat, but as these success stories show, businesses do not have to make a physical product to enter the exporting market. In fact, many Australian businesses find their existing ambitions easily translate into overseas markets.

Zoe Keogh, a producer at real estate marketing agency Goldeneye Media, says the company's product, promotional videos for high-end real-estate, was relatively well received in Australia before heading overseas.

"We specialise in brand films and property films, and our managing director was invited to speak at an international conference in Barcelona," says Keogh.

"Video wasn't so huge, and it wasn't a readily accessible at that point in time".

"She showed some examples of our work and was blown away by the response, especially in America."

"They love when we have our Australian voice on it."

Keogh's story clearly shows how the brand of "Australian-made" is well recognised and received overseas as well as the benefit of discovering an unknown market.

Alternatively, businesses can design their offering for export from the beginning. Pawan Lalwani is the founder of Language Your Way, a business that creates educational video games for non-English speakers. China was the company's first destination.

"We started thinking about export from day one," Lalwani says.

"The term 'going global' was coined in Australia and we took it to heart. It was always to start with overseas first and then bring it to Australia."


However, Lalwani advises businesses to understand their product, identify the right markets, and make sure they are ready to branch out. This means baking your export market into your business models from the very beginning.

There are risks too, but immersing yourself in local markets can quickly highlight most risks.

"I had never been to China," Lalwani says. "We spent a lot of time going into the market, visiting cities and figuring it out for ourselves."

Businesses looking to start exporting should first consider whether they are in a position to expand overseas. Tools such as the Austrade [International Readiness Indicator Online Tool](#) can show SMEs where they ought to improve their business before moving overseas.





TREADSTONE
EMDG

**Export Market
Development Grant**

**Be prepared, and
maximise your rebate
with Treadstone:**

- » Approved under the Austrade EMDG Consultant Quality Incentive Program
- » Personalised advice to maximise your benefit
- » No win, no fee

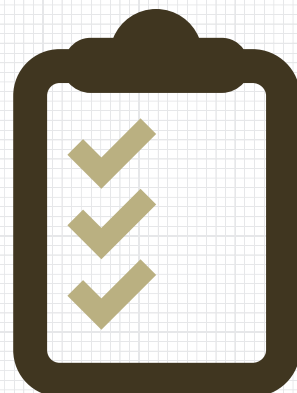
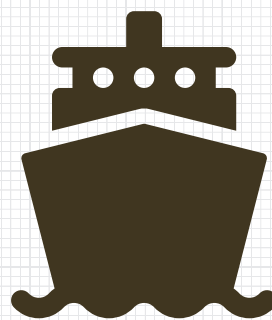
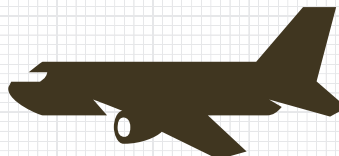
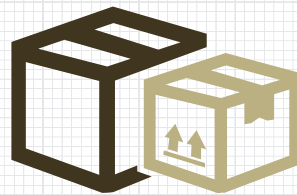
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How can the EMDG help you break into new markets?

The tools you need to start exporting are more accessible than ever. Social media, payment infrastructure and the ability to accept money from clients, as well as tools to interact and support communities in isolated markets are freely available.

However, costs are always a factor, which is why the Export Market Development Grant (EMDG) exists. It is this grant that gave Lalwani and Keogh's businesses the boost they needed to thrive.

1. Are you eligible for the grant?

For businesses hoping to start their exporting business, Austrade lists the following key eligibility criteria. Businesses must have:

- less than \$50 million revenue in the year they apply for the grant
- spent at least \$15,000 on eligible expenses
- "principal status" for the export business. That means, the exporter needs to be the one applying for the grant

The business also must have promoted one of the following:

- the export of goods or most services
- inbound tourism
- the export of intellectual property and know-how
- conferences and events held in Australia

A more detailed [Eligibility Checklist](#) can be found on the Austrade website.

Note: EMDG does not support promotion to New Zealand, Iran or North Korea.

2. How much money do businesses receive?

The EMDG provides refunds up to 50 per cent of eligible export expenses (as long as they are above \$5,000 and the total of all expenses is at least \$15,000) – even if the business isn't profitable.

With eight grants available to each applicant, it is possible for businesses to receive up to \$1.2 million in financial assistance. For the 2016-17 financial year applicants the average cash rebate was \$40,921.



3. What can businesses claim?

There are eight types of activity that businesses can claim under the EMDG:

1. Overseas representatives: funds to pay someone who is based overseas to market your product
2. Marketing consultants: costs to use someone to investigate exporting your product
3. Marketing visits: cost of flights and a daily allowance of \$350 to visit and promote overseas
4. Free samples: the cost associated with providing those samples to a target market
5. IP registration and related insurance: the cost of granting these and extending rights under foreign laws
6. Trade fairs, seminars and in-store promotions: costs related to participating in any of these activities
7. Promotional literature and advertising, including Adwords and online promotional costs
8. Overseas buyer visits: the costs of bringing potential buyers to Australia

For Zoe Keogh and Goldeneye Media, the grant has enabled the business to recover air travel costs for visiting new markets. It has even assisted in setting up new office space in the US.

Lalwani expresses a similar sentiment, stating "It's allowed us to continue to grow even further by exploring countries apart from China. We were able to go on a delegation of companies to Japan"



How do I apply for the EMDG grant?

If you are ready to start exporting and want to access the EMDG grant, it is important to understand the process for applying and the additional record-keeping required. As with most grant programs there are many rules and the EMDG has one of the biggest rule books of them all.

The grant is a rebate for the prior year expenses (first applications can have prior two years) based on the cash accounting for the 1 July to 30 June financial year.

Applications open 1 July and close on 30 November each year, with an extended deadline available through Quality Incentive Program (QIP) qualified consultants.

So how can you be prepared and ensure you get your grant? As Pawal Lalwani points out, speaking with a consultant initially helped his business avoid a costly mistake.

“The EMDG was one of the first options we saw for investment,” says Lalwani.

“I had a chat with Treadstone about it. We actually learned from that initial chat that the maximum time we could be in any one country was 21 days to be eligible for the grant, and we were already in China for nearly that long.”

Three steps you need to take to apply for the EMDG

Austrade outlines three key steps to apply for the EMDG:

1. Determine your eligibility by going through the EMDG Eligibility Checklist.
2. Ensure you have an active AUSkey to logon.
3. Complete the online application form at Austrade and submit with the additional documentation.

What documents will I need to submit?

Businesses should speak with either Austrade or a trained consultant before submitting their application as they will be able to outline the specific documentation you will need. Austrade states that businesses may be asked to provide:

- Bank statements
- Invoices
- Financial records
- Activity reports
- Any documentation relating to export-related activity



As Lalwani says, working with a consultant helped the business know what records to keep and implement processes that made the application phase easier.

“Had we not had that guidance early on, I would imagine we would have lost on multiple fronts due to the record-keeping involved,” he says.

“If you ask me what I did on Wednesday last week, I wouldn't know! Imagine doing that over 90 days. We had to keep records every day, and a big thing was taking photos so it made it easy to remember what we were doing and what was involved.”

“It was all thanks to the consultant, really.”

While businesses might be alarmed at the thought of so much documentation, Lalwani says SMEs shouldn't be concerned as doing the hard work now will set them up for success later on.

Five top tips to maximise your EMDG rebates

Here are some top tips and tricks to proactively use EMDG to enter and grow in new market:

1. Keep a daily diary and save all documentation

Accommodation, ground transport and living costs are covered by a flat \$350 per day allowance. To receive your allowance, you must keep a daily diary outlining the key activity for each day and back this up with emails, boarding passes, photos and other documents to prove your movements.

2. Make sure you have the right contracts in place

Overseas representatives must be on long-term contracts of 12 months or more. Structuring contracts to have higher retainers can be beneficial as commissions are not eligible.

3. Pay for your flights

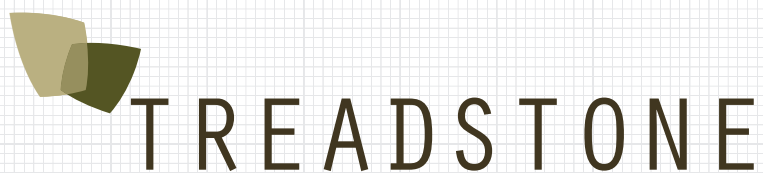
Flights purchased with frequent flyer points are not eligible. Save your points for non-marketing related flights.

4. Maximise returns on your marketing spend

Facebook, LinkedIn, AdWords paid ads are all eligible for rebates, but not for excluded countries. Make sure you set up your campaigns to clearly measure cost by geographic region.

5. Clearly define scope of work

Marketing consultant fees are eligible to help research and plan for market expansion. Make sure your consultant's contract clearly shows the scope of work and geographic region in which they apply.



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