



## **Poltava** Entrepreneurs Unlock Their Export Potential

Boosting exports by local producers is one of the crucial strategic objectives of economic development in Poltava. Throughout 2020 the City Development Institute, a local organization, began implementing a key initiative aimed at building the capacity of Poltava business owners to expand to foreign markets and adapt their products to the requirements of importing countries. This initiative was supported by the International Technical Assistance Project: “Partnership for Local Economic Development and Democratic Governance” (PLEDDG). More than two dozen businesses in three sectors (food, mechanical engineering, and light industries) have joined the project. Stage one of the initiative involved training activities, some of which were held offline ahead of the COVID-19 pandemic.

“We started off by sharing with business owners an effective system for expanding to foreign markets. Among our participants were companies with some experience of export operations. It was an opportunity for them to improve their skills and learn the systemic approach to expanding foreign trade. At the end of the training, we handpicked participants whose businesses were the most prepared for exports: they received individual online consultations. I believe that the key accomplishment of the project is that business owners formed a practical skill set for a thorough analysis of the market and their own capabilities,” says **Petro Peretiatko, Project Leader, Deputy Director of the City Development Institute**.

Over the course of trainings and workshops, participants received a step-by-step introduction to export operations, learned approaches to scanning export markets and their potential, learned to assess untapped resources of their companies, and identified consumers for whom they could offer the most value in the form of their goods or services. They also learned about product requirements and the need to adapt products prior to European market entry, studied the primary product certification, branding, and packaging approaches. Every participant had a key task for formulating a unique product offering for a specific foreign market. The participants received extensive online feedback on their progress from lecturer Halyna Perepelytsia, an independent expert on international trade and EU exports consultant.

“It was essential to make the training participants realize that export is a systemic process that begins not from finding partners but from in-depth insights into the business, its products, and potential sales markets. We discussed that companies planning international sales should be guided by existing demand and not just production capabilities of the enterprise. Meeting the market requirements is also a vital component of successful exports, since a product that has not been adapted to meet requirements is denied market entry. We closely examined the competitive advantages of the participating businesses, their strengths, and weaknesses. As a result, every business managed to expertly formulate a unique product offering to be used in negotiations with potential customers,” **Halyna Perepelytsia** says.

One of the strongest participants was Konsort, a manufacturer of equipment for automation of production process flows: sorting systems, production lines, conveyors, calibrators, industrial washers, weighing equipment, warehousing appliances, and the like.

“Konsort has been in the market for 14 years now. The enterprise currently has 22 of its own service locations across Ukraine and 17 international offices. We are exporting products to Poland, Georgia, Armenia, Azerbaijan, the Baltic states, Germany, Sweden, and Italy. Despite this long list of countries, exports are still not happening at the volume and level we would like to achieve. The desire to expand our sales markets made us join the project. The training activities were very interesting: the lecturer presented information in a structured and consistent manner and explained the smallest of details.

I prepared commercial proposals for several types of equipment manufactured by Konsort. Thanks to helpful comments and tips I was able to greatly improve our product offering for international customers. Since we are an active exporter, we drafted similar documents in the past. However, the training enabled us to develop competencies in this area, update the format of presentations, and revise our approaches to communicating product strengths. We will surely put the newly acquired skills to good use as soon as the pandemic lets up and we can develop our exports to the fullest,” says **Alina Mostova, Sales Manager at Konsort.**

Another project participant is the Poltava-based enterprise Endorfine: a family business of Oksana Kamaletdinova and her husband Roman, who have been producing craft jams for 5 years now. Endorfine products are currently sold within Ukraine only, but the company founders are determined to conquer the international market.

“The training sessions have given me a clear understanding of what it takes to launch export operations and the steps to be followed. Now striving to expand to foreign markets is no longer a gamble. Instead, it has crystallized into a clear picture. The training guided us to look for answers to the question: “What is it that can make our products stand out in a foreign market?” I also learned that a vast array of analytical data on foreign markets is in the public domain. We will be using this data to make effective managerial decisions going forward. We are now gradually mapping our way towards export markets and negotiating with potential partners. We plan to start with the neighbouring countries to be able to respond quickly in the event of operational difficulties or force majeure. We hope to land our first export contract within the next year,” **Roman Amaleta** says.

The initiative involved launching a promotional video that showcases the operations and export potential of five Poltava-based businesses: Poltava Diamond Tools, Konsort, Kozub-Product, Pichkar, and Endorfine. Preparations are ongoing for an expo of exporting producers to be unveiled in January at the premises of Poltava City Hall or the City Development Institute. It will become a major image-building event for entrepreneurs as a permanent venue where they can demonstrate their production capabilities in the form of high-quality promotional materials or even certain products, such as cookies or jam. The Best Exporting Entrepreneur of the Year contest is also planned for January 2021, which is open to all small- and medium-sized businesses in Poltava.

“The quarantine period resulting from the COVID-19 pandemic substantially affected the progress of our export activities. For example, a long-planned expo of Poltava-based producers was held on a far more modest scale. Still, the event became a good ‘testing ground’ for business owners in terms of improving their product presentation skills. The quarantine restrictions also prevented us from traveling abroad for our planned participation in international expos and business missions. However, we are making do with what we have: recently we arranged a meeting for entrepreneurs with the Ambassador of Azerbaijan and the embassy’s Advisor on Economic Issues, and prior to that, with representatives of the Lithuanian Embassy,” **Petro Peretiatko** adds.

Without a doubt, local producers will continue to receive support in their expansion to foreign markets. Implemented under the auspices of PLEDDG, the initiative became a crucial step in the process of building the competencies and capacity of Poltava-based entrepreneurs. The newly acquired skills and ongoing active cooperation with the City Development Institute, the Poltava Chamber of Commerce and Industry, and the Department of Economics and Investments at Poltava City Hall will help local businesses grow their exports gradually, which will, in turn, translate into new jobs and economic growth for Ukraine’s regions.



The series of success stories #ChangingCities demonstrate successful examples and innovative approaches to democratic governance and local economic development in Zaporizhzhia, Vinnytsia, Poltava and Ivano-Frankivsk oblasts in Ukraine, that have resulted from the efforts of the international technical assistance project “Partnership for Local Economic Development and Democratic Governance” (PLEDDG) which is being implemented by the Federation of Canadian Municipalities and funded by Global Affairs Canada.

