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Something in the air

PPM Technology is using its presence in Hong Kong to sell its latest product to the Chinese market

PPM Technology Ltd manufactures Indoor Air Quality (IAQ) monitoring instruments. The company was established after a management buyout in 1999 in Caernarfon, Wales, and quickly made a name for itself, selling its products to hospitals, laboratories and manufacturing industries for use detecting formaldehyde around the UK, Europe and the US.

In 2000, Japan passed legislation requiring formaldehyde monitoring in homes, and PPM Technology moved to enter the market by upgrading the capabilities of its instruments. Demand for its monitors took off and as other Asian countries passed similar IAQ legislation, the company expanded into South Korea, Taiwan, Malaysia, Singapore, Hong Kong and China.

“The demand for our products internationally has always been strong,” says John Jones, Managing Director, PPM Technology. “Over the last seven years, I have participated in many trade missions to Asia arranged by International Business Wales.

These missions helped us expand our reach in Asia, particularly as a result of mission briefings and networking receptions held at British Embassies, where we met many potential customers and experts in the field of IAQ.”

New monitors

In 2008, PPM Technology debuted its first multi-parameter monitor that detects temperature, humidity, nitrogen dioxide, carbon monoxide, carbon dioxide, total volatile organic compounds and ozone, in addition to formaldehyde – all toxic gases that can make people feel ill in offices and in homes.

The company is now concentrating on marketing this new monitor in Hong Kong, and is working closely with its long-time distributor there, Hinds International.

“Hong Kong is the first overseas market we are targeting with our new monitor,” says John. “The high density of offices and high levels of air pollution mean that there is particular need for air quality monitors. Plus it is an English speaking market with IAQ legislation already in place. I don’t want to spread my wings too wide, too early and we are slowly rolling this out overseas.”



Fast facts

Company: PPM Technology

Country: UK

Industry: Environmental goods and services

Website: www.ppm-technology.com

“ The demand for our products internationally has always been strong”

Sales strategy

Before introducing the company's new monitor to the Hong Kong market, PPM Technology got in touch with UK Trade & Investment, which then helped the company exhibit its products at the Macao International Environmental Co-operation Forum and Exhibition (2009MIECF). As a result of the event, the company received an order valued at HK\$100,000 from a hotel in Shanghai.

The company also exhibited at Hong Kong's Eco Expo in a pavilion of UK exhibitors arranged by UK Trade & Investment. While there, PPM met several potential clients and gained a number of potentially significant sales leads.

PPM Technology also commissioned an Overseas Market Introduction Service (OMIS) report from UK Trade & Investment, which gave the company crucial information about the potential market for its products in Hong Kong and made recommendations for how PPM Technology should go about establishing itself there. As part of the OMIS, UK Trade & Investment arranged a seminar at the British Consulate on behalf of the company which was attended by over a dozen representatives from key potential customer groups. PPM Technology received a positive response to its products and is now following up on the leads generated at the seminar.

"The backing of UK Trade & Investment was crucial for the success of the reception we held at the Consulate," says John. "We fully expect to work with UK Trade & Investment in the future."

Springboard to China

Following on its recent successes, PPM Technology is using Hong Kong as a springboard to China, working closely with a Hong Kong-based distributor with strong contacts there. This strategy has clearly worked, and to date, the company has secured contracts in China worth over £170,000.

By basing its China sales through Hong Kong, the company can offer its customers a more personalised service. Distributors require some training on the new monitors and follow up service will be easier to do from nearby. PPM Technology is also working with a Shanghai-based distributor to sell its goods locally.

"Sales of our products in Hong Kong and China have been excellent over the last few years, and we are confident that our new monitor will help us increase our market share," says John. "At first we thought that China's size warranted having many distributors. Over the years, we have found this to be untrue. The main contracts for our products are with government, and it turns out that our distributors were going after the same contracts. As a result, we are now working with only two main distributors to sell our goods in China."

The UK and Hong Kong

Hong Kong and the UK are close trading partners. UK exports of goods to Hong Kong in 2008 amounted to £3.47 billion, making it the UK's 16th largest export market. As well as being a major market on its own right, Hong Kong serves as a trading gateway to mainland China.

Hundreds of British companies have offices in Hong Kong, with many of those running their Asia-Pacific regional operations from the region. The City of London is virtually replicated in Hong Kong, with British bankers, insurers, lawyers, consultants, etc., at the core.

In addition, many major UK retailers have opened stores in Hong Kong in the last few years, including Marks and Spencer, HMV, B&Q, Next and Prêt à Manger.

Helping you to do business abroad

Doing business in another country can be a challenge, so it's good to know that UK Trade & Investment is there to help you succeed.

Through a range of unique services, including participation at selected trade fairs, overseas missions and providing bespoke market intelligence, UK Trade & Investment can help you crack foreign markets and quickly get to grips with regulations and business practices overseas.

Through our Passport to Export programme we offer new and inexperienced exporters:

- free capability assessments
- support in visiting potential markets
- mentoring from a local export professional
- free action plans
- customised and subsidised training
- ongoing support once you're up and running

UK Trade & Investment is the government organisation that helps UK-based companies succeed in the global economy.

We also help overseas companies bring their high quality investment to the UK's dynamic economy – acknowledged as Europe's best place from which to succeed in global business.

UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British embassies and other diplomatic offices around the world. We provide companies with the tools they require to be competitive on the world stage.

For further information please visit www.uktradeinvest.gov.uk or telephone +44 (0)20 7215 8000

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