

WEBINAR PRESENTATION



Aftercare takes centre stage: Aftercare 2.0

PRESENTATION BY WAVTEQ

April 30, 2020

wavteq



Table of contents

1: Update on the impact of C-19 on the FDI market	3
2: The role of existing investors	7
3: Best practice framework for aftercare	13
4: How Covid-19 is changing aftercare	21
5. Future of investment facilitation and aftercare	38
6. How Wavteq can help	41
7. Q&A with our feedback to all questions received	48
8. Feedback on the webinar from participants	64



1. Market update

Impact of C-19 on the FDI market

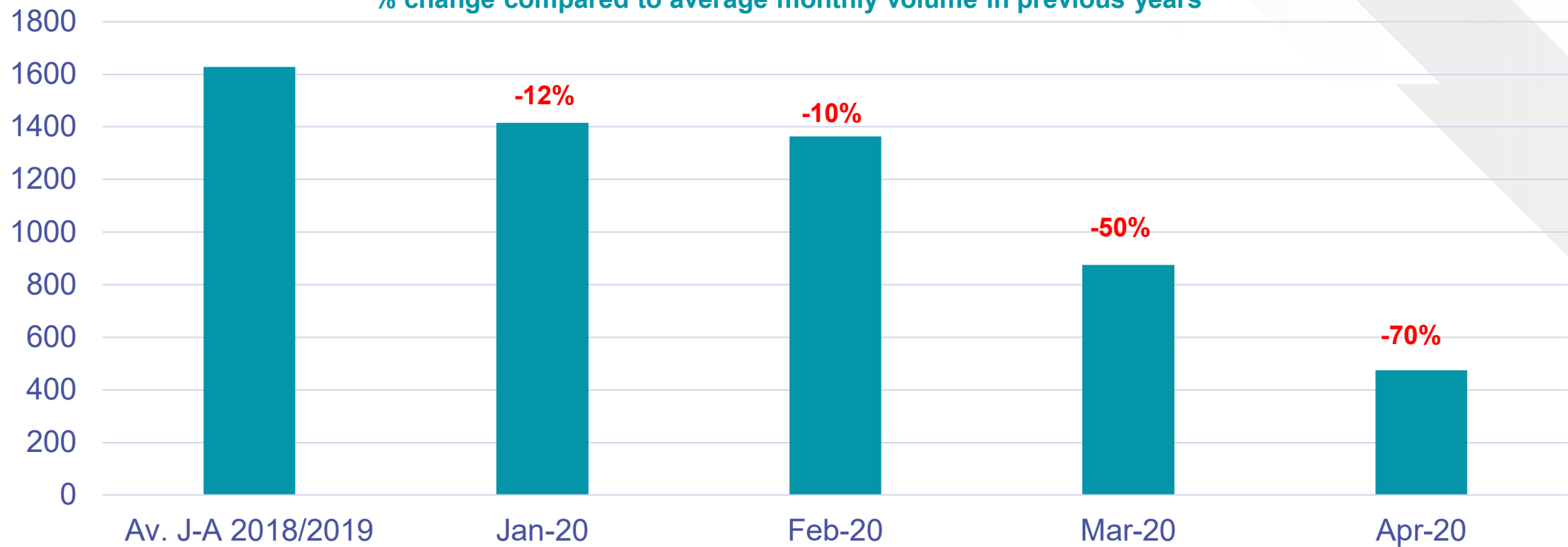


Global FDI trends

MARKET UPDATE

Greenfield FDI projects globally

% change compared to average monthly volume in previous years

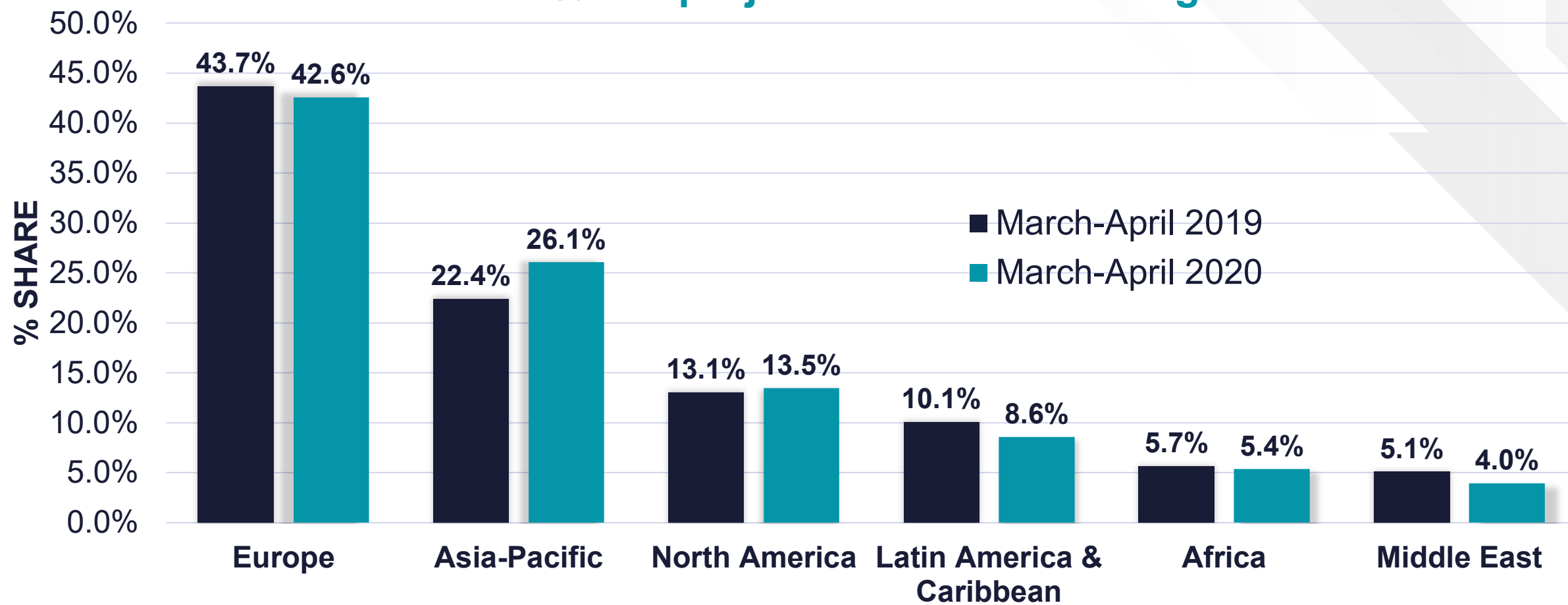


Source: Wavteq estimates based on preliminary fDi Markets data for Jan-April 2020. Note does not include all FDI projects but includes most major investments and is a key barometer for the global FDI market

FDI by destination region

MARKET UPDATE

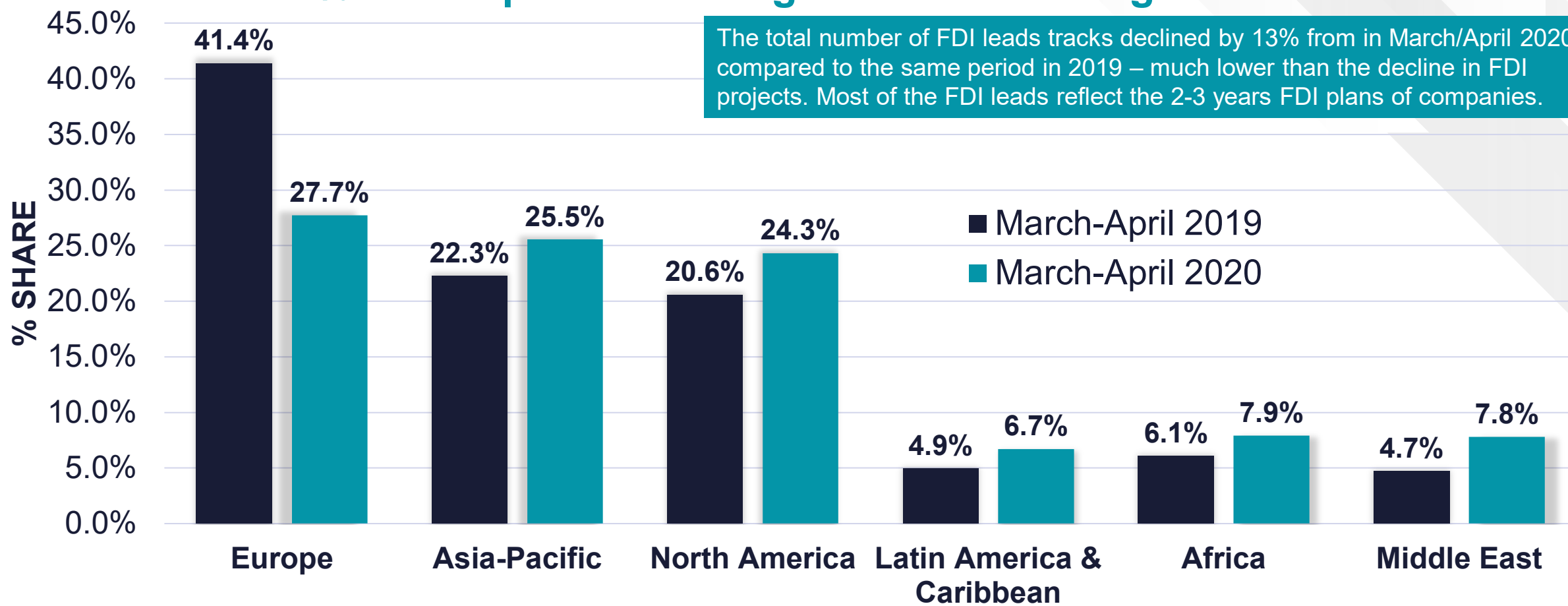
% FDI projects in each world region

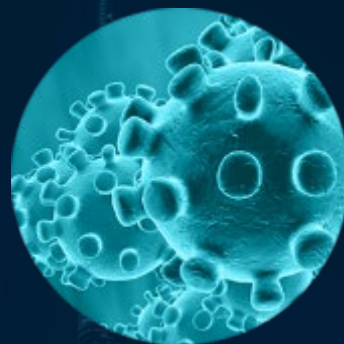


Future FDI plans of companies

MARKET UPDATE

% of companies looking at each world region for future FDI





2. The role of existing investors

Importance of existing investors for FDI

AUDIENCE POLL

How important are existing investors in your location

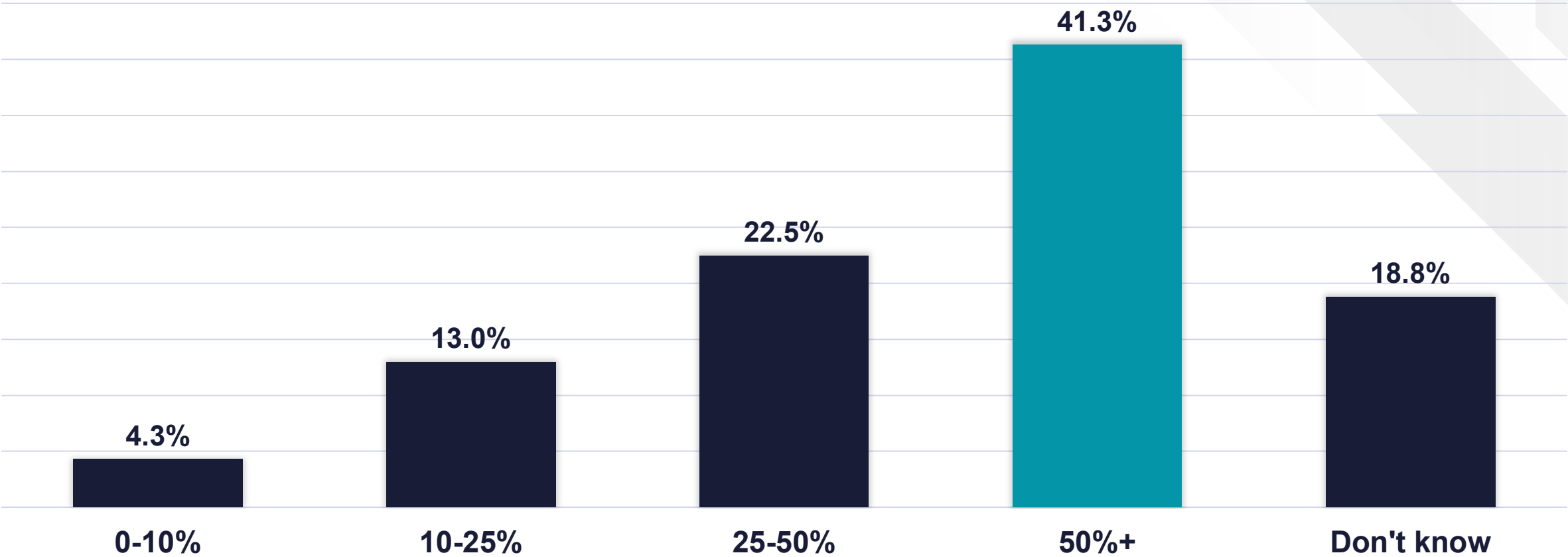




Audience Poll Results: How important are existing investors in your location?

MARKET UPDATE

Approximately, what % of investment projects in your location in 2019 were from existing investors?



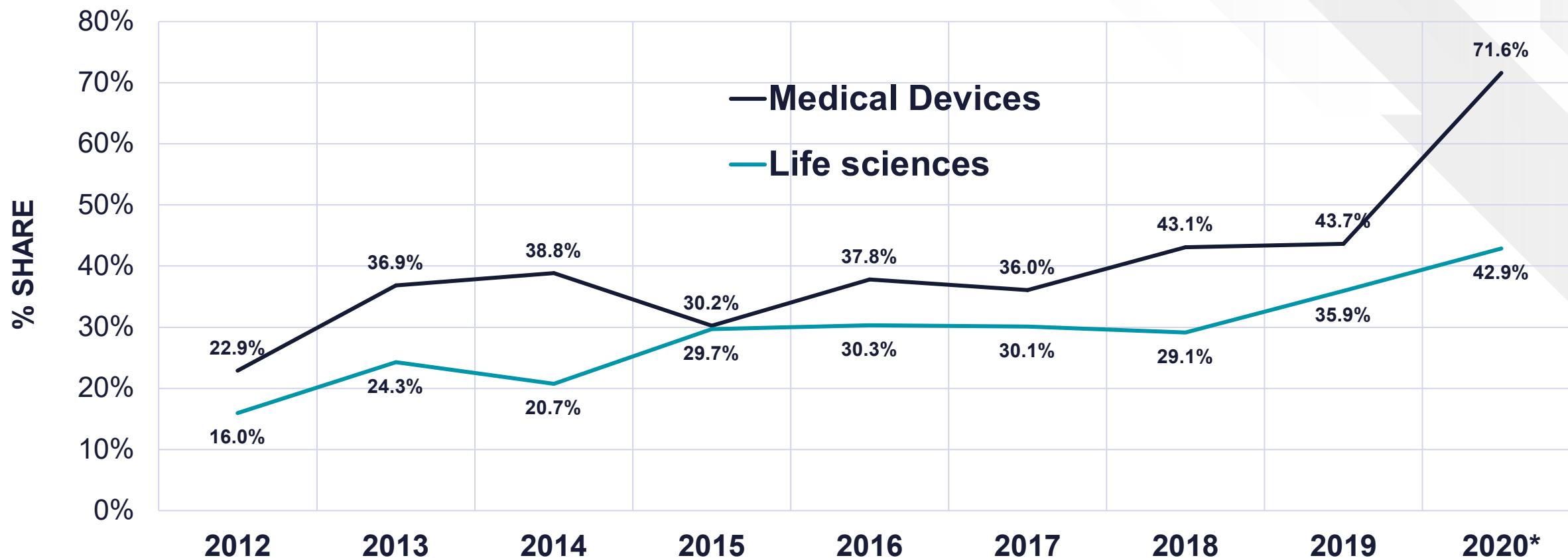
“ 61% of FDI flows in developed economies and 40% in developing countries are reinvested earnings

UNCTAD

Role of expansions in greenfield FDI

EXPANSION FDI

% of new FDI jobs created by expansions of existing greenfield projects



Aftercare – the most effective technique to attract FDI

EXPANSION FDI

Technique – most effective	% Agencies using technique	Average score of (5=most effective)	Likely change in importance due to C-19 (Wavteq assessment)
After-care services for existing firms	100%	4.1	Big increase
Sales representatives overseas	75%	4.0	Increase
Outsourcing LG to consultancy firms	50%	3.5	Increase
Diaspora inward investment targeting	13%	3.5	No change
Conferences, seminars	100%	3.4	Big Decline
Inward investment website	100%	3.3	Big increase
Inward FDI missions	63%	3.3	Decline
Outward FDI missions	63%	3.3	Decline
Referrals from the national IPA	38%	3.3	No change
Conventions, exhibitions	100%	3.1	Big decline
Direct mail to targeted companies	63%	3.0	Increase
Outward trade missions	38%	3.0	Decline



3. Framework for aftercare



Comprising all potential services offered at the company level by Governments and their agencies, designed to facilitate both the **successful start-up** and the **continuing development** of a foreign affiliate in a host country or region with a view towards **maximizing its contribution** to the local economic development.”

Hood & Young

AUDIENCE POLL

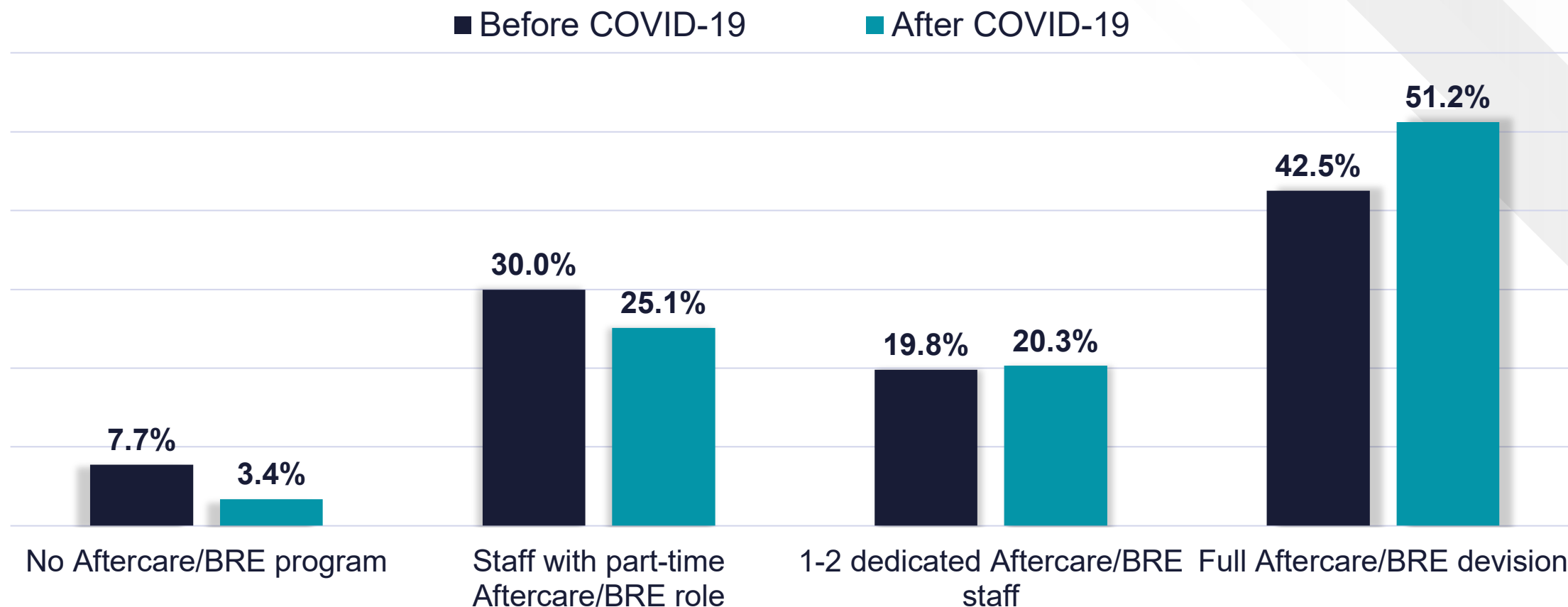
Who is doing aftercare/BRE?



Audience Poll Results: Who is doing aftercare/BRE?

MARKET UPDATE

Your EDO/IPA's Aftercare/BRE program before and after COVID-19



Framework for aftercare

FRAMEWORK FOR AFTERCARE

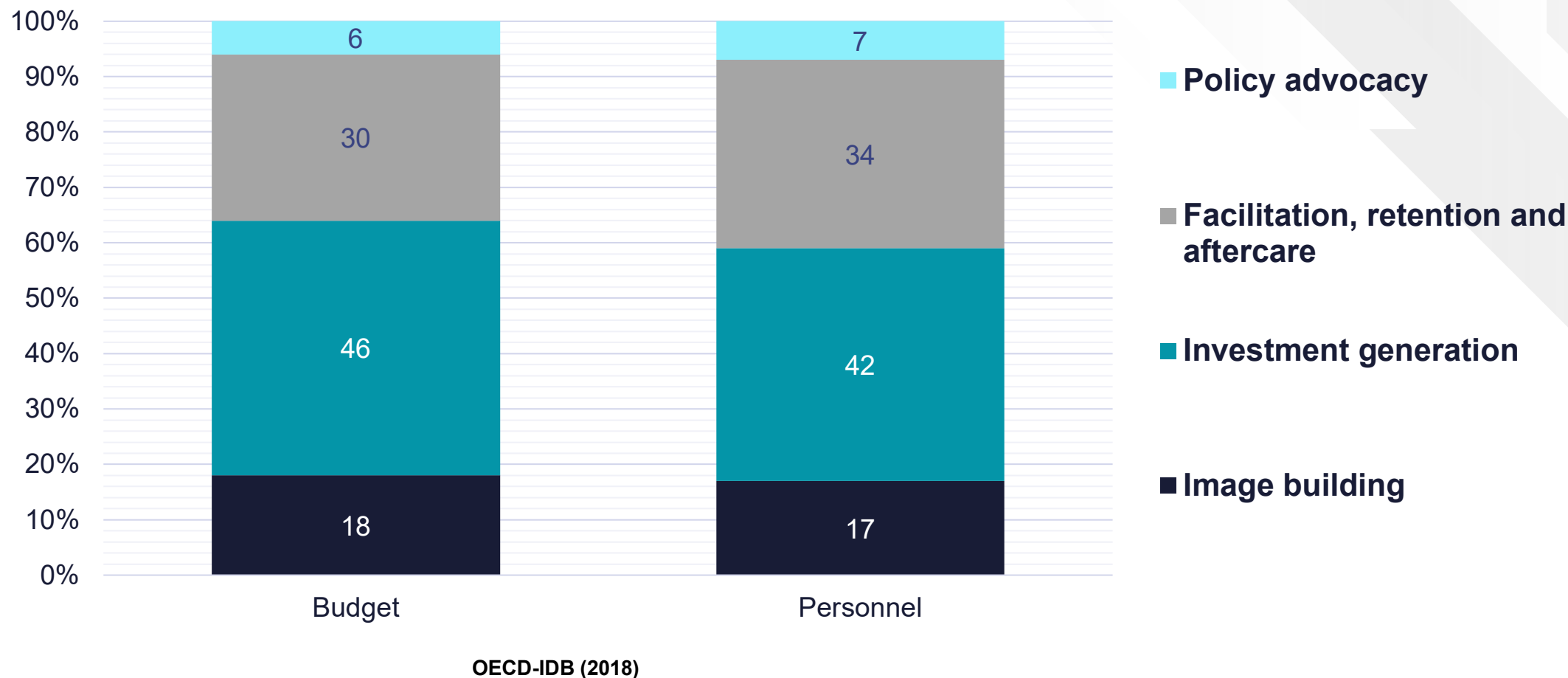


Source: Wavteq

How much resources do IPAs allocate to aftercare/BRE?

FRAMEWORK FOR AFTERCARE

OECD IPA's budget and personnel allocation across core functions (%)



AUDIENCE POLL

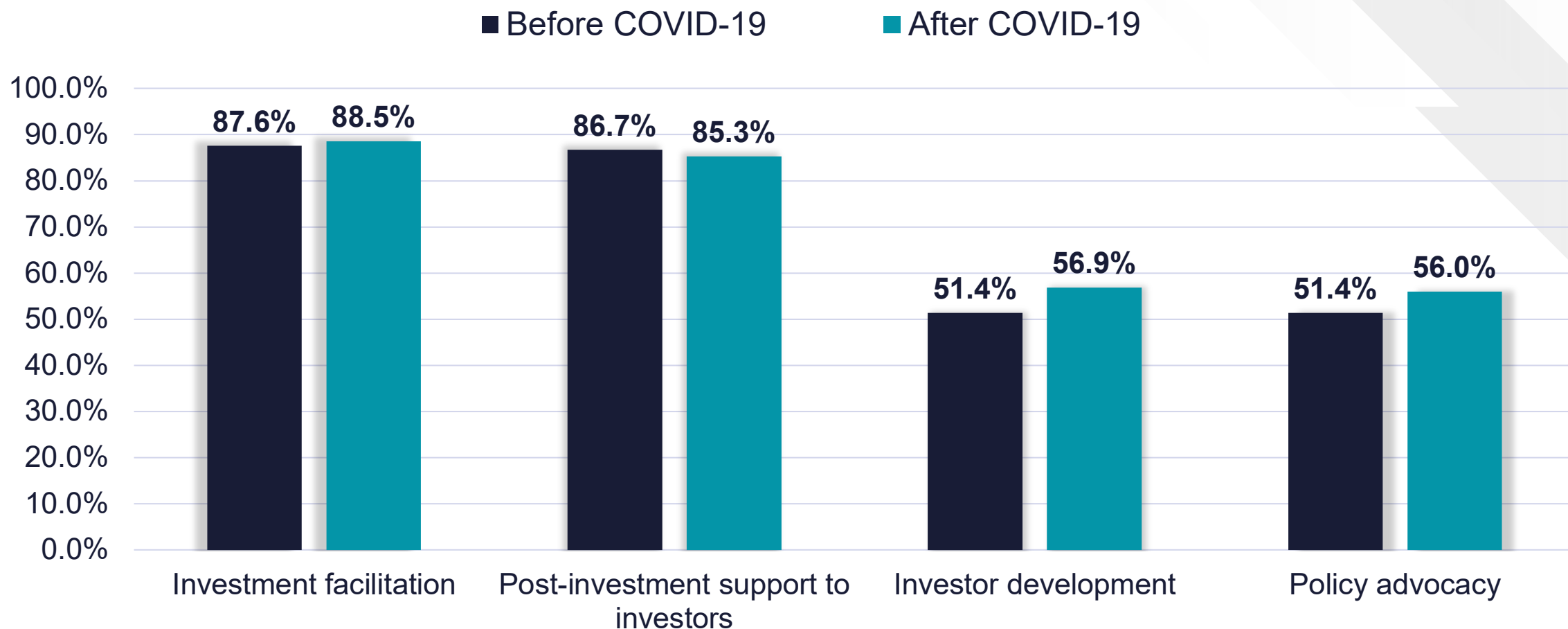
Types of aftercare services



Audience Poll Results: Types of Aftercare services

MARKET UPDATE

What types of Aftercare/BRE services did your EDO/IPA provide before and after COVID-19?





4. How Covid-19 is changing Aftercare

Phase 1: Investment facilitation (before)

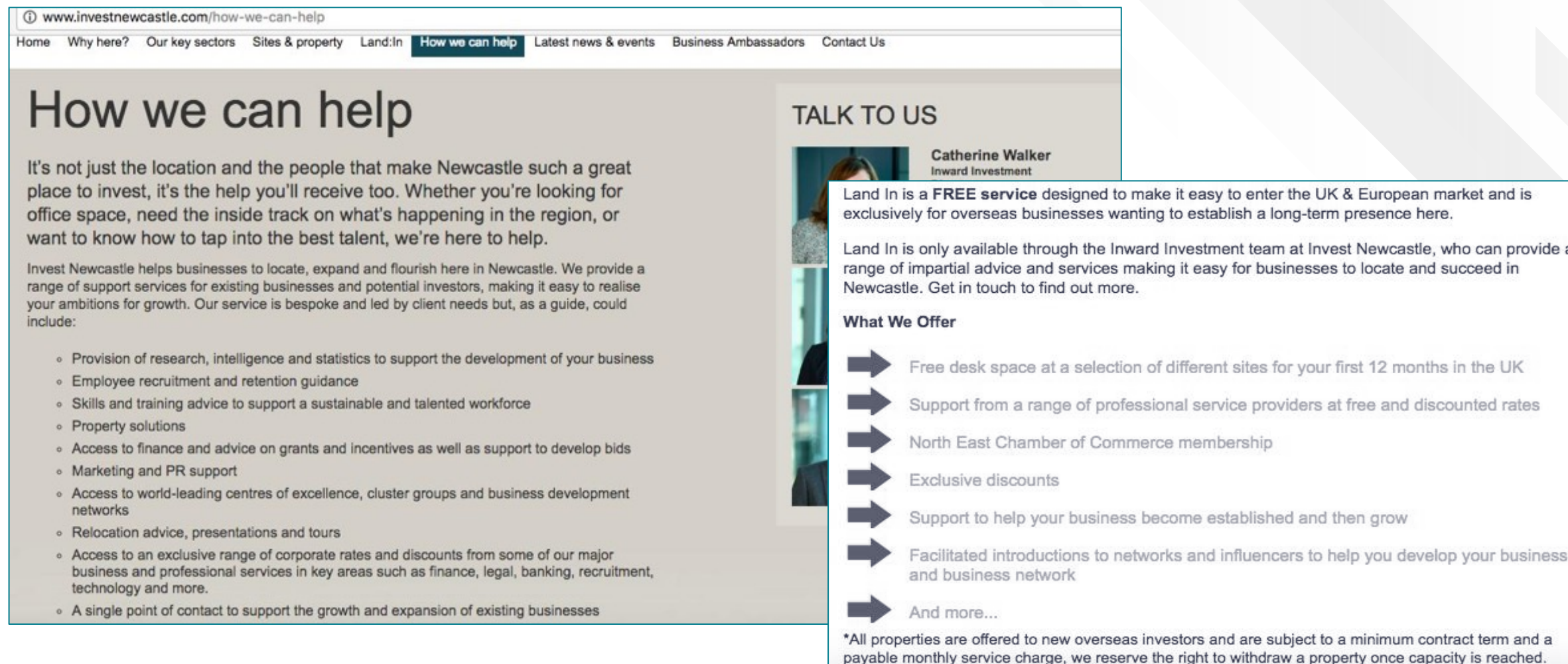
HOW COVID-19 IS CHANGING AFTERCARE

Best practices before Covid-19

- **Administrative procedures:** help investors to set-up and operate a business by providing support in obtaining investment permits, business licenses, tax numbers, work visas, construction permits, residence permits etc. In developing countries, the establishment of One Stop Shops (OSS) has really helped.
- **Organizing site visits for investors:** help investors make the right introductions to be able to operationalize their project including visiting sites and properties, finding professional advisors, connecting with potential suppliers, and doing contracts with utilities and recruitment agencies, and other service providers.
- **Problem-solving:** providing hands-on support for investors when they encounter any issues in implementing their project.
- **Soft landing programs:** often, EDOs and IPAs have packaged their facilitation services into soft landing programs to make it as easy as possible to make a project happen in their location.

Phase 1: Investment facilitation (before) – case study of a “soft landing” program

INVESTOR SERVICES TO IMPLEMENT FDI PROJECTS



www.investnewcastle.com/how-we-can-help

Home Why here? Our key sectors Sites & property Land:In **How we can help** Latest news & events Business Ambassadors Contact Us

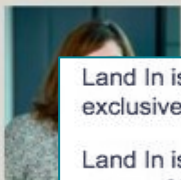
How we can help

It's not just the location and the people that make Newcastle such a great place to invest, it's the help you'll receive too. Whether you're looking for office space, need the inside track on what's happening in the region, or want to know how to tap into the best talent, we're here to help.

Invest Newcastle helps businesses to locate, expand and flourish here in Newcastle. We provide a range of support services for existing businesses and potential investors, making it easy to realise your ambitions for growth. Our service is bespoke and led by client needs but, as a guide, could include:

- Provision of research, intelligence and statistics to support the development of your business
- Employee recruitment and retention guidance
- Skills and training advice to support a sustainable and talented workforce
- Property solutions
- Access to finance and advice on grants and incentives as well as support to develop bids
- Marketing and PR support
- Access to world-leading centres of excellence, cluster groups and business development networks
- Relocation advice, presentations and tours
- Access to an exclusive range of corporate rates and discounts from some of our major business and professional services in key areas such as finance, legal, banking, recruitment, technology and more.
- A single point of contact to support the growth and expansion of existing businesses

TALK TO US

 **Catherine Walker**
Inward Investment

Land In is a **FREE service** designed to make it easy to enter the UK & European market and is exclusively for overseas businesses wanting to establish a long-term presence here.

Land In is only available through the Inward Investment team at Invest Newcastle, who can provide a range of impartial advice and services making it easy for businesses to locate and succeed in Newcastle. Get in touch to find out more.

What We Offer

- ➡ Free desk space at a selection of different sites for your first 12 months in the UK
- ➡ Support from a range of professional service providers at free and discounted rates
- ➡ North East Chamber of Commerce membership
- ➡ Exclusive discounts
- ➡ Support to help your business become established and then grow
- ➡ Facilitated introductions to networks and influencers to help you develop your business and business network
- ➡ And more...

*All properties are offered to new overseas investors and are subject to a minimum contract term and a payable monthly service charge, we reserve the right to withdraw a property once capacity is reached.

Phase 1: Investment facilitation (now)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices with Covid-19

- **Digital services:** while there are less investors to facilitate, there are still projects in progress and new investors making enquiries. Companies typically have a 2-3 year horizon for FDI decisions. EDOs and IPAs are adapting their services to make them digital including:
 - Online services, which minimize or even eliminate F2F applications
 - VR tours of their region to facilitate site selection decision making and minimize project delays
 - Revamped online value propositions, which provide sufficient detail for FDI decision making
 - The EDO/IPA still operating at full capacity providing full connectivity with investors via email, phone, social media, and webinars (EDO should not make significant staff reductions)
- **Repackaging soft landing:** Investor needs are already changing. EDOs/IPAs should consider:
 - Online services and virtual site visits (as above, and a trend already underway pre-C19)
 - Developing property solutions which allow for social distancing, high hygiene levels, remote working
 - Providing skills & training solutions to facilitate working virtually
 - Providing "JVAP"* matchmaking services to find partners, suppliers, and RIs* (far more important now)

Phase 2: Post investment support (before)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices before Covid-19

- **Dedicated aftercare team:** have a full-time team (or individual for a small EDOs) who are 100% focused on helping existing investors expand and solving any problems they have. Often investment facilitation and aftercare are combined into one division in a larger IPA.
- **Account management:** maintaining regular contact with investors after they have invested, with a key account or relationship manager assigned to the more strategic investors.
- **KPIs:** for the investment facilitation & aftercare team around conversion rates from project announcements to implementation and operation and clear targets for expansion projects, problem solving for investors, and updating information on each investor.
- **CRM:** utilizing a fit-for-purpose CRM to track engagement with existing investors and KPI.

“Using existing investors as “ambassadors” who will influence other firms to consider the country as an investment site is a key method of lead generation. Developing good links with local managers has been central to investment promotion in the most successful locations. Happy and profitable clients are good promotional tools!

Columbia Center on Sustainable Investment

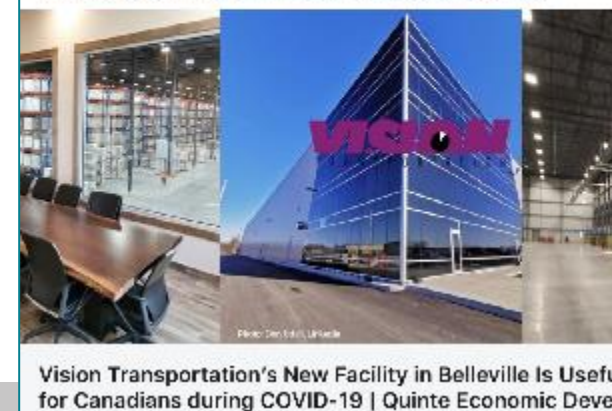
Phase 2: Post investment support (now)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices with Covid-19

- **Core focus on aftercare:** while on average IPAs allocated around 30% of resources into investment facilitation and aftercare, it is now 80%+ for most EDOs/IPAs.
- **Account management for all investors:** very few IPAs and EDOs included all foreign investors in their aftercare program; they focused proactively only on the major ones and reactively to the rest. This is now changing, with all foreign investors needing support and with expansion projects becoming the main source of investment and job creation. However, according to the World Bank Group April 2020 Survey of national IPAs, less than half had been able to contact all investors.
- **Continuous updates:** Providing daily updates to all investors on COVID-19 and government responses and financial support available using your website, social media, e-newswires, and webinars with investors. Media channels can also be used. It is critical that these updates are also provided to all the professional services firms in your region, as they will have contacts with all existing investors.

Quinte EDC was one of the first EDO's in the world to launch an online C19 resources portal. The region secured a new \$20 million facility related to C-19.



Phase 2: Post investment support (now) - examples

HOW COVID-19 IS CHANGING AFTERCARE

- **SDI** – dedicated call centre for business continuity guidance and measures
- **IDAL** – free online legal and audit advisor for investors
- **ICEX and Invest Spain** – global window services hotline to handle enquiries
- **WESGRO** – COVID-19 Support Finder Portal
- **FIPA** – permanent support unit open 7 days a week for investors
- **Invest India** – Business Immunity Platform



Phase 3: Investor development (before)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices before Covid-19

- **Key account management:** major investors assigned a KAM. KAM's have targets for investor engagement and achieving expansion projects and develop an annual engagement plan for each major investor.
- **Sector based teams:** sector teams are setup to provide more industry expertise in facilitating projects and in providing aftercare services and to develop sector-specific investor development initiatives (supply chain & skills programs are mostly sector specific).
- **Supply chain programs:** to build local supply chains through working with major existing investors to attract inward investment in the supply chain and create linkages with local suppliers. Also includes programs to develop the capacity of local suppliers.
- **Skills & training programs:** initiatives to help investors recruit workers and upgrade the skills of the current workforce as well as work with colleges and universities to provide the skills needed.

“Local embeddedness is a double-sided coin: it reflects both the choices of the TNC and the existence of appropriate firms with which they can interact

Peter Dicken

“In responding to free market forces, foreign investors would focus on activities that exploit a host country's given competitive advantages rather than those that could be developed with some additional effort

Sanjaya Lall

Phase 3: Investor development (before) – case study

HOW COVID-19 IS CHANGING AFTERCARE

Louisiana Economic Development (LED): “FastStart” program

- FastStart has been ranked as the best training program in the United States for seven years running by both The Economist and Business Facilities Magazine.
- To date, FastStart has worked on 150+ different projects in every region of the state. Services are offered at no cost to the company and are part of the incentives package negotiated by LED.
- To qualify for FastStart’s services, a company must first commit to creating a net of at least 15 new, permanent manufacturing jobs, or a net of at least 50 new, permanent service-related jobs.
- FastStart provides:
 - **Understand an inward investor’s skills and training needs.** A skills needs document is prepared
 - **Assist with recruitment:** Provides comprehensive employee recruitment services
 - **Assist with pre-hiring:** Assist with evaluation of candidates
 - **Assist with training:** Assist in delivering technical, team-based and soft-skills training programs

Phase 3: Investor development (now)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices with Covid-19

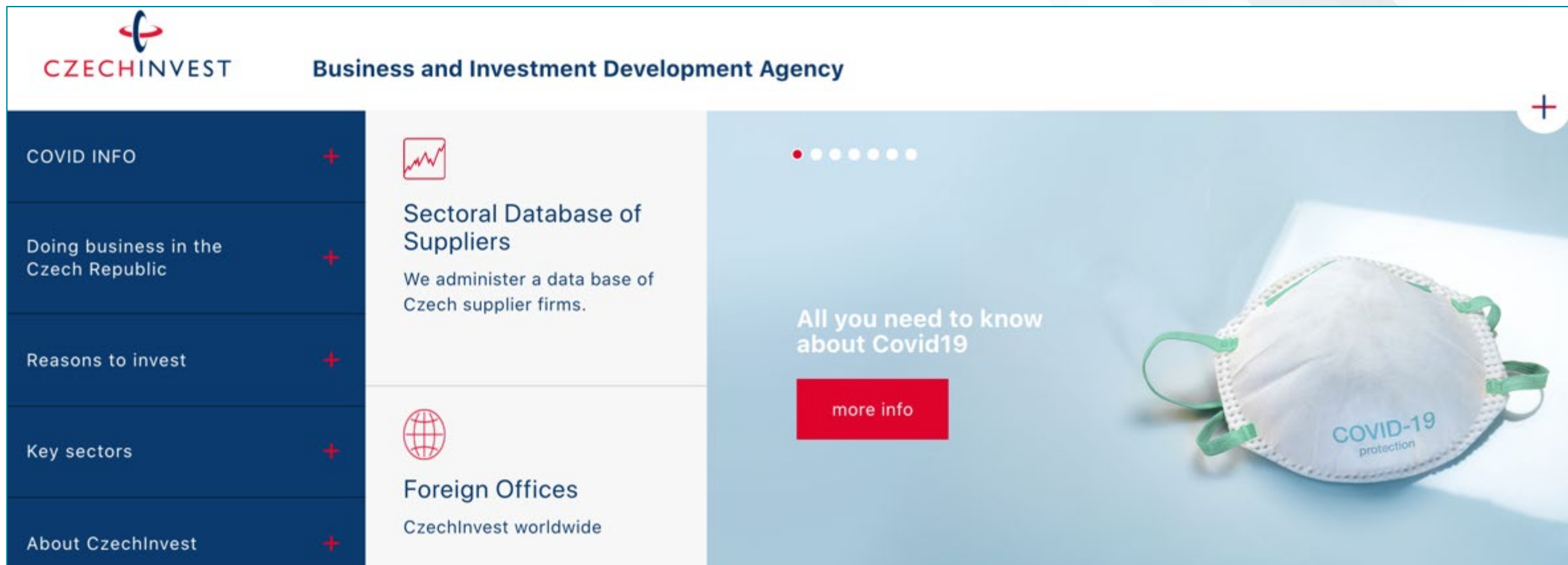
- **Business retention in critical sectors:** full engagement with investors in critical sectors to ensure all is done to maintain their supply.
- **Retooling:** identification of companies that can retool towards critical products and services and supporting these companies to retool, which can include financial and technical support and support finding key supply inputs.
- **R&D:** working with leading investors in life sciences and technology sectors and research institutes on testing and vaccine development (note that EMs have also been very proactive in this).
- **Exports:** working with existing investors to expand exports where there is excess capacity potential for the domestic market – not just medical supplies but also food & beverages and industrial goods.
- **Suppliers:** build greater knowledge of local and global supply chains in critical sectors to help investors find the supplies they need – as well as to attract these suppliers to invest longer term.
- **Industry 4.0 and eCommerce:** encourage investors to utilize robotics and new technologies and increase skills in these areas to maintain production levels in times of crisis and grow sales.

Invest South Africa contacted companies across all essential products and services (pharma, medical devices, food, critical inputs) to identify and address issues quickly and ensure their supply. They setup a WhatsApp working group including all 9 provincial IPAs to increase coordination, address issues on the ground, and ensure a constant feedback mechanism

Source: World Bank Group, April 2020

Phase 3: Investor development (now) – case study

HOW COVID-19 IS CHANGING AFTERCARE



The screenshot displays the CzechInvest website, which is the Business and Investment Development Agency. The header includes the CzechInvest logo and the agency's name. A dark blue sidebar on the left contains a menu with the following items, each followed by a red plus icon: COVID INFO, Doing business in the Czech Republic, Reasons to invest, Key sectors, and About CzechInvest. The main content area is divided into two columns. The left column features a red line graph icon above the heading 'Sectoral Database of Suppliers' and the text 'We administer a data base of Czech supplier firms.' Below this is a red globe icon above the heading 'Foreign Offices' and the text 'CzechInvest worldwide'. The right column has a light blue background with a white plus icon in the top right corner. It contains a row of seven dots, with the first one being red. Below this is the text 'All you need to know about Covid19' and a red button labeled 'more info'. To the right of the text is a photograph of a white surgical mask with green straps, resting on a white surface. The mask has 'COVID-19 protection' printed on it in blue.

CZECHINVEST Business and Investment Development Agency


COVID INFO +


Doing business in the Czech Republic +

Reasons to invest +

Key sectors +

About CzechInvest +

 **Sectoral Database of Suppliers**
We administer a data base of Czech supplier firms.

 **Foreign Offices**
CzechInvest worldwide

All you need to know about Covid19

[more info](#)

COVID-19 protection

Phase 3: Investor development (now) – case study

HOW COVID-19 IS CHANGING AFTERCARE

Czech Rise Up

The program was established based on a needs analysis that was rapidly conducted in connection with an online survey in which nearly four hundred businesses participated.

The first group of projects that can apply for financial support comprises those involving expansion of capacities or the introduction of manufacturing of new protective equipment solutions such as respirators and ventilators.

In the second and third groups, it is possible to support the rapid introduction of both medical and non-medical solutions that can help in the fight against the coronavirus pandemic. Solutions include measures aimed at mitigating the impact of the further spread of the disease and subsequently addressing the impacts of this situation.

Business entities are eligible to receive support. Aid is provided in the de minimis form, i.e. the maximum amount is the CZK equivalent of EUR 200,000. The maximum aid intensity, i.e. the share of state funding in the eligible costs of a given project, is in the range of 50% to 90% depending on the activity.


Eligible costs may include non-investment costs of projects, particularly:

- + Wage costs (jobs in the scope necessary for the purposes of the given project)
- + Material, water and energy costs
- + Costs of necessary services


Phase 3: Investor development (now) – case study

HOW COVID-19 IS CHANGING AFTERCARE


HACK THE CRISIS

[Jak to funguje?](#)
[Zúčastní se](#)
[Aktuality](#)
[FAQ](#)
[Média](#)



Whether you already have an idea and you don't know how to realise it or a product and you don't know what to do next, we will get involved and support you so that we achieve a common goal, thus accelerating the implementation of projects that will help our society cope with the current crisis connected with the COVID-19 pandemic.




Financial Assistance




Mentoring



Know-how








Computing Capacity



Cooperation

Course of the hackathon

Idea / Product

Registration form

Feedback (within 48 hours)

Connection and specific proposal of collaboration and financial support

Work on the project / administrative assistance with obtaining financial support

HACK THE CRISIS

[Jak to funguje?](#)
[Zúčastní se](#)
[Aktuality](#)
[FAQ](#)
[I](#)

HEALTHCARE

- treatment (development of vaccines and medications and combinations and/or modification of existing medications)
- lifesaving equipment (respiratory ventilators)
- prevention (telemetry of bodily functions, possibility of rapid testing, development of new and faster tests, self-test variant)
- diagnosis (telemedicine, acceleration of PCR detection)
- therapy (medical chemistry, preclinical and clinical analysis)
- personal protection (e.g. protective materials, nanotextiles)
- prediction of further development

SOCIETY

- awareness (means of mass communication and notification)
- social isolation (remote learning, delivery and shopping services)
- remote communication (virtual meetings)
- automatic information (cobots)

ECONOMY

- preventive protection of equipment and property (disinfection, security)
- autonomous devices (robots, drones)
- assistance for SMEs and sole proprietors with respect to impacts caused by declining demand

Phase 4: Policy advocacy (before)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices before Covid-19

- **Policy advocacy unit:** while only 6% of the budget of OECD IPAs goes to policy advocacy, it is ranked by existing investors in World Bank and Wavteq investor surveys as the investment promotion area which investors see as most important. The most successful IPAs have a policy advocacy team to provide investor feedback to government to make policy changes that increase competitiveness.
- **Investment Board/Council:** To influence policy, the IPA needs to have a strong position in government. Even in some large countries, the PM/President may Chair the Investment Board to ensure the investment environment continuously improves and ensure the retention and attraction of nationally important investors.
- **Ombudsman:** many countries, including highly advanced economies as well as LDCs, have an independent investment ombudsman to handle serious investor grievances which the IPA cannot solve.

“

It's impossible to overstate the importance of a strong mechanism to address investors' grievances...data from the World Bank's Global Investor Survey indicate that 32% of the investments lost globally is attributable to risks encountered by the investor—burdensome bureaucracy, lack of transparency, and sudden changes in laws

World Bank Group

Phase 4: Policy advocacy (now)

HOW COVID-19 IS CHANGING AFTERCARE

Best practices with Covid-19

- **Covid-19 policy groups:** EDOs and IPAs around the world have responded really fast to form working groups with investors and government stakeholders to feedback to government what policies will help investors retain their employment and operations. Without these huge efforts, the policies put in place might not have been as effective as they have been in many countries – the number of foreign investors closing down has been far lower than would be expected in such a crisis of this scale
- **New technologies:** EDOs and IPAs have rapidly implemented new technologies to enable investors to provide feedback on policies, often transforming how investors, IPAs, and government engage with each other. This is likely to have a lasting impact on how EDOs and IPAs can more effectively support policy advocacy.

Case study of EIC - Ethiopia

- Ministerial level committee set-up to coordinate the response led by the PM
- Rapidly engaged with investors on social media – two-way Twitter communication
- Held open-air distanced meetings with investors and stakeholders
- Encouraged investors to use its online services
- Daily updates from their aftercare team to investors
- Helped some investors repurpose
- Allowed local supply in export-only zones

World Bank Group, April 2020

AUDIENCE POLL

What actions are you taking?

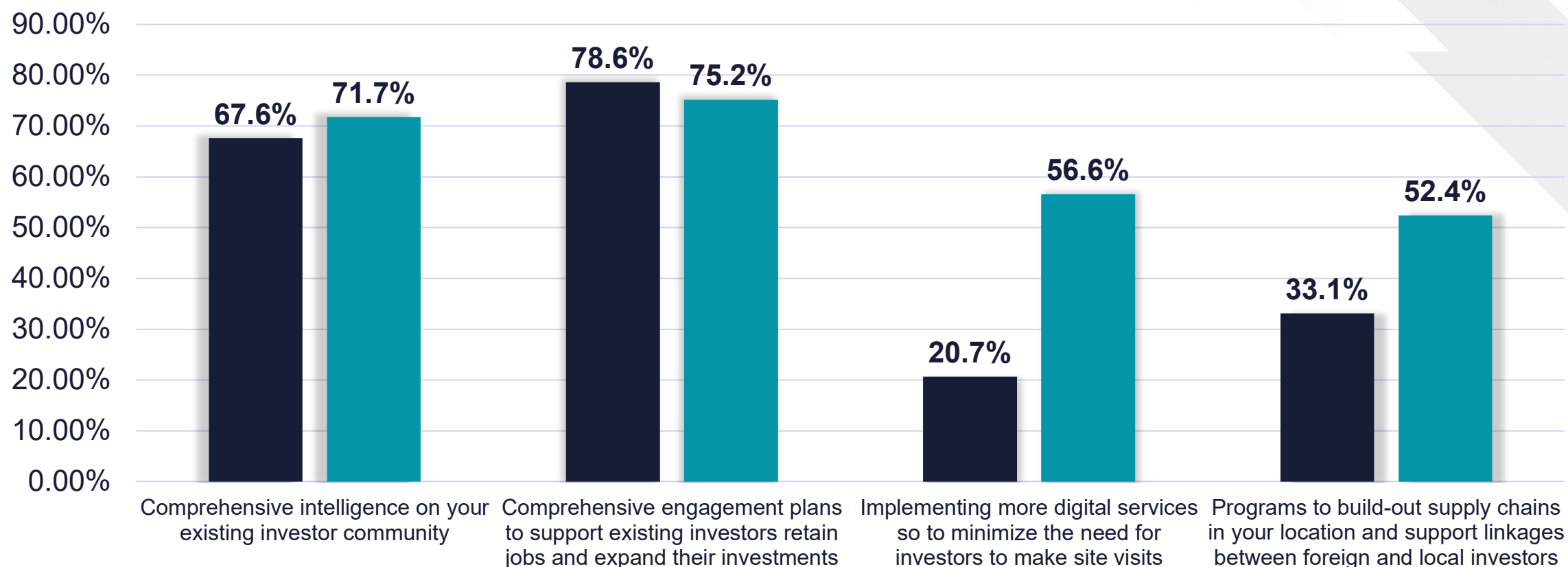


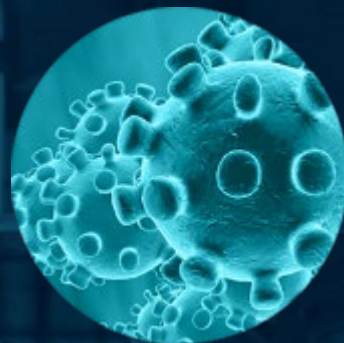
Audience Poll Results: What actions are you taking?

MARKET UPDATE

Aftercare/BRE activities of your EDO/IPA before and after COVID-19

■ Before COVID-19 ■ After COVID-19





5. Future of investment facilitation & aftercare

Understanding your existing investor community and assets

FUTURE OF INVESTMENT FACILITATION AND AFTERCARE

Database

Build a comprehensive database of all existing foreign investors (and strategic local firms) and key contacts in each one, focusing on target sectors, sectors most at risk, and sectors which have expansion potential. Also maintain a database of key assets, especially research institutions (RIs).

Risk and Opportunity Assessment

Reaching out to all investors (could be a survey for the less strategic ones) to understand how much risk their operations are facing and what support they need as well as capture key information about their products and services, supply chains, export markets, and expansion plans.

Update

Refresh your database regularly so when the next crisis (or opportunity) hits, you are ready. For major investors, this should be part of your investor development program and for other investors could be done as part of a bi-annual investor survey with investors receiving the results of the survey. In some countries, an investment conference is hosted to present the results.

A comprehensive inventory of investors and assets will facilitate aftercare, investor development, supply chain development and prepare for the next crisis

Move from “soft landing” to “digital onboarding”

FUTURE OF INVESTMENT FACILITATION AND AFTERCARE

- It is near impossible to fully setup a business without extensive site visits and F2F applications.
- Wavteq in the last 2 years has setup new companies in Germany, UAE, and US; it took 1-3 months to setup a company and go through the admin procedures to be able to employ staff and have a bank account. It required extensive F2F meetings in each country and administrative bureaucracy (and costs). We just setup in US in April 2020 and with Covid-19 it was challenging.
- EDOs and IPAs should consider developing a “**digital onboarding service**” for investors combining OSS with new technologies to help implement projects.
 - Site visits and location selection can be provided by GIS and VR
 - Docusign or similar should be used for contracts (policies should be changed to allow this)
 - A virtual workforce service could be provided
 - Banking services can be offered with fintech providers (Wavteq in UAE was able to use fintech to bank without any F2F meetings)
 - Companies should be able to setup and start operating without travel.

A fully digital onboarding service could revolutionalise FDI



6. How Wavteq can help?

1. Help communicate with your existing investor community

HOW WAVTEQ CAN HELP

wavteq Influencers

- Only global intermediaries' database with nearly **30,000 leading advisors** related to corporate expansion and FDI
- Connect with the investment community in your city, state, country, and globally
- Coverage of **180+ countries** and **2,500+ cities**
- Data protection compliant info on every contact (email, phone, social media, bios)
- **25 categories** of location advisor and influencer including legal, banking, accounting, site selectors, media etc.

Update advisors in your region and country on C-19 policies and initiatives to ensure the investment community has the latest information and facts as a key part of your aftercare.

Free subscription to Wavteq Influencers to Jan. 15, 2021

Wavteq is offering all EDOs and IPAs a free subscription to Wavteq influencers providing access to full information on all location influencers in their country. This includes professional services firms, site selectors, real estate firms, FDI consultants, banking, VC and private equity, business associations, business parks and zones, and media.

2. Profile your existing investor community

HOW WAVTEQ CAN HELP

wavteq InvestmentMap

- Investor surveys of your existing investors and real time tracking of investors planning new projects is a core service Wavteq has been providing very successfully for over a decade.
- Wavteq provides the only Investment Accounting Software to track and record investors in your location and enable stakeholders and the global investment community to see who is investing (see www.dubaiinvestmentmonitor.com for an example)

wavteq Amplify

- Wavteq has developed a proprietary CRM systems 100% designed for EDOs and IPAs.
- Very easy to use, with customization and support all included in the license cost.
- Includes pipeline templates for managing your aftercare program, covering expansion, issue resolution, and investor development. National and regional IPAs have already signed-up.

Database of existing investors

Controls	Date	Company	Project Stage	Tech Level	Destination City	Project Function	Capex (\$M)	Jobs	Project #
	Dec 21		Opened	High Tech Level 1	Cork	R&D	5.00	20	53
	Dec 21		Opened	Medium Tech	Cork	Business Services	2.00	100	52
	Dec 21		Opened	High Tech Level 2	Cork	Sales, Marketing & Support	8.50	100	54
	Nov 21		Opened	Medium Tech	Cork	Business Services	1.00	50	50
	Oct 21		Opened	Medium Tech	Cork	Business Services	16.00	330	51
	Oct 21		Opened	High Tech Level 1	Cork	R&D	21.80	16	
	Oct 21		Opened	Low Tech	Cork	Retail	2.00	91	35
	Oct 21		Opened	Medium Tech	Cork	Business Services	2.50	90	48

Website to view data and existing investors



3. Supply chain development

HOW WAVTEQ CAN HELP

Supplier portal

- Develop bespoke supplier portals to enable identification of suppliers and which can be integrated with our CRM (see example on right).

Supply chain research

- Detailed supply chain research projects to identify the suppliers of OEM investors

Supplier attraction

- Strategic investor targeting projects to identify suppliers with potential for investment and introducing them to our clients.
- During C-19, this is through virtual meetings and investor webinars. F2F supplier meeting programs will start commencing again from July in selected source country markets.

The screenshot displays the WAVTEQ Supplier Portal interface. At the top, there is a header with the WAVTEQ logo and navigation links. Below the header is a search bar labeled 'Supplier Search' with filters for 'Artisan - 241', 'Filter by Category', 'Filter by Subcategory', 'Filter by Sector', and 'Filter by Subsector'. A 'Reset Filters' button is also present. The main content area features a profile for '3D Sensation', which includes a company logo, a brief description, and a map showing the location. The profile is divided into sections for 'Company details', 'Contact Details', 'Average supplier ratings', and 'Investor comments'. The 'Average supplier ratings' section shows four categories: 'Quality of service' (4.5 stars), 'Value for money' (4.5 stars), 'Responsiveness' (4.5 stars), and 'Professionalism' (4.5 stars). The 'Investor comments' section includes a text input field for 'Write comment' and a 'Submit' button. The 'Leave feedback' section includes two star rating systems for 'Rate your quality of service' and 'Rate your responsiveness', each with a 'Submit' button, and a text input field for 'Leave feedback for this supplier...' with a 'Send feedback' button.

4. Representation to support BRE and new biz development

HOW WAVTEQ CAN HELP

In-market representation

- An effective aftercare program requires your EDO/IPA to be able to engage with the GHQ of your existing investors as decisions on expansion and re-investment are often made at the GHQ.
- Having your own office in each major source country is very expensive and may not deliver a ROI.
- Wavteq provides cost effective in-market representation services to EDOs and IPAs at the national and state level and for cities and zones.
- We have highly experienced FDI teams in each of the countries shown on the right, allowing us to effectively cover 90% of the global FDI market.
- In total, we have a team of 80 FDI business development consultants and have secured over \$50 billion of realized investment projects.
- Our services range from an intense program of lead generation activities to providing a more light touch “country desk” service to support you when needed, especially for engaging the global HQ of your major existing investors or for companies considering FDI in your location.
- We can fully represent our government clients including using their email and business cards.

Countries we offer in-market representation

- **Canada**
- **China**
- **Chile / Latin America**
- **Europe**
- **France**
- **Germany**
- **Hong Kong**
- **India**
- **Japan**
- **Korea**
- **Taiwan**
- **Turkey**
- **UAE / GCC**
- **UK**
- **US**

5. Training and capacity building

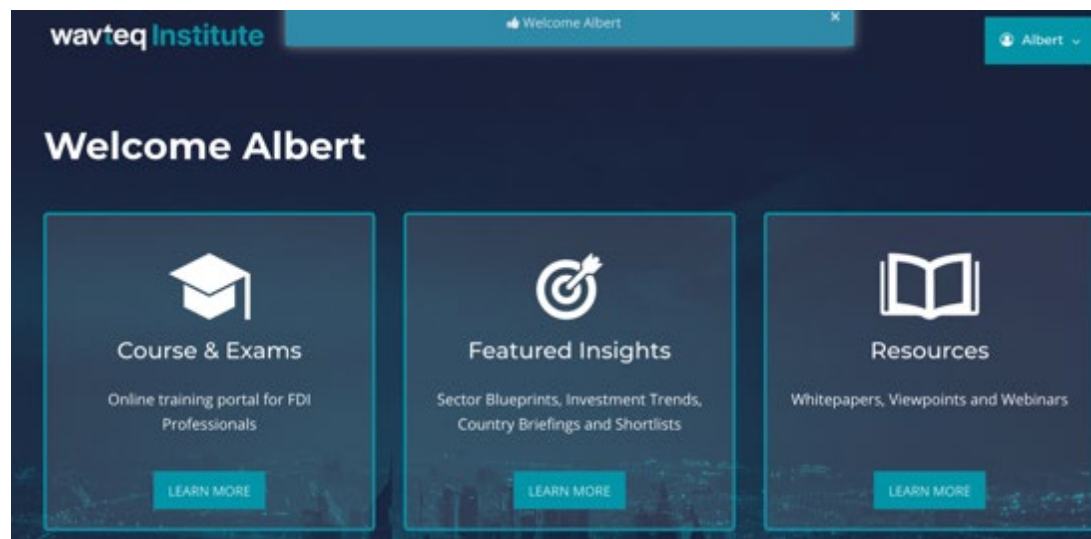
HOW WAVTEQ CAN HELP

If you like our webinars, you can join over 1,000 investment promotion officers currently going through our **eLearning and FDI Certification** platform.

Our learning platform provide access to **11 courses** (including aftercare), resources, practioner toolkits, and exclusive sector intelligence to prepare for the rebound in FDI.



<https://www.youtube.com/watch?v=kden77DOq-I>



- ✓ **Keep healthy**
- ✓ **Keep safe**
- ✓ **Support your existing investors**

THANK YOU FOR YOUR TIME
NOW Q&A

7. Q&A



The following section provides our responses to Q&A

Q: If reinvestment is occurring anyway, is aftercare that important?

Q&A RESPONSES

- Reinvestment often depends on the support of EDOs and IPAs. Our Framework for Aftercare can be used to categorize the support provided.
- In developing countries, facilitation and post-investment support is critical for re-investment as every year investors need to renew their business licenses etc. and for expansion projects, investors typically face lots of issues related to land, property, utilities, workforce, etc. and the IPA as a vital “problem solving” role.
- In developed economies, the EDO or IPAs role is perhaps lower on the facilitation and post-investment support, but much more important on investor development – working with investors around skills & training needs, supply chain linkages, and R&D partnerships to enable the investor to have the workforce and ecosystem they need to expand.
- Where foreign or domestic investors have multiple subsidiaries in each region of the world, when there is a reinvestment or expansion project there is very often a competition between subsidiaries to win the investment. This is especially in developed economy regions, and EDOs and IPAs can really support “their” local subsidiary win the investment by helping the subsidiary demonstrate the competitive advantages of their location and with specific programs the subsidiary and EDO/IPA can develop together to increase the success of the subsidiary. EDOs/IPAs with overseas reps can also effectively lobby the GHQ for the project demonstrating the government commitment and support for the company and the local subsidiary.
- In developing countries, there maybe less competition between subsidiaries as FDI at an earlier stage, but there is huge competition for the capital of foreign investors. Even the largest companies in the world do not have unlimited capital for expansion. They may, for example, have a \$200 million expansion program for Africa but the locations they select to become their export hubs for Africa can be strongly influenced by an effective aftercare program, especially around policy advocacy which is critical for investors, and most of all those in developing countries.

Q: To what extent is aftercare also relevant to deter/prevent investment shrink/departure?

Q&A RESPONSES

Wavteq research has identified the following key benefits of aftercare/BRE:

1. **Protect existing investment** - this is key objective of every aftercare program.
2. Stimulate second generation activity – expansions and upgrading.
3. Support subsidiaries win investment from the Corporate HQ.
4. Inward investment by suppliers.
5. Local linkages and local supplier exports.
6. ‘Knock-on’ gains.
 - Strategy development and planning.
 - Sector initiatives.
 - Training and skills development initiatives .
 - Joint marketing initiatives .
 - Policy advocacy to improve the business & investment climate.
7. Happy and profitable investors are the best promoters of your country or region and can become “investment ambassadors” for your location.

Q: What is the engagement to be done by government and IPA for business retention?

Q&A RESPONSES

- Business retention is a key activity of aftercare.
- To provide business retention the following activities are key:
 - Understanding your existing investor community
 - Have a strong KAM program for your major investors and a lighter touch account management program for other investors
 - Ensuring regular contact with all investors and F2F meetings (at least twice yearly) with your major investors to build strong relationships with senior management
 - At the same time, for major investors you also need to visit their GHQ at least once a year to ensure your location and EDO/ IPA is firmly on the radar of the company and they are convinced that you are a strong business partner so when they do need to consolidate or rationalize your location is low on the list and indeed can be the location which wins from this activity by your subsidiary taking over the activity of others. Having in-market reps clearly helps with engagement with GHQs on a regular basis but note executive management will also want to see senior members of your team as well as the local in-market rep.
 - You need to really understand the competitive position of your location for the major sectors of your economy vs. competing locations so you can work with your local subsidiaries to convince the HQ to retain their investment.
 - Investor development programs can make a huge difference – they are all about “embedding” the investor so its more difficult for them to close down in your location. Embedding is typically done through supply chain and R&D linkages and “subsidiary upgrading” programs are key. But also skills & training program, especially for tech sectors/activities, can develop specialized talent pools making retention of investment more likely.

Q: After COVID, how do you see global supply chain reshuffling?

Q&A RESPONSES

- Our next webinar “Road to Recovery”, planned for May 2020, will cover this in detail.
- Our view at this stage is that the regionalization of value chains and supply chains will accelerate.
- Generally, we expect companies in many industries to remap their geo-footprints based on current and projected market size of each region of the world economy. Companies generally divide the global market into business regions e.g. Europe, North America, China, East Asia, ASEAN, Africa, LATAM, and Africa.
- You can look at different sectors and assess the current and forecast in market size of each region and compare to current investment levels and capacity and that will give an idea for how companies will remap their operations.
- EDOs and IPAs do need to be realistic – China is a vast market and in many industries is the world’s biggest market - a trend which is only going one way. In wind power, a major sector for FDI, for example, China accounts for 40% of the world market and accounts for 40-50% of the global supply chain, which seems about right given size of the market and the need to be close to customers. In other sectors, the capex requirement maybe so huge and the skills so specialized that remapping of supply chains to each region of the world is not possible to do. Knowledge based services were least impacted by Covid-19 as virtual working is possible and demand for services did not collapse and in many sectors increased. Remapping of knowledge-based value chains will be based most of all on talent and skills availability – note that some countries have used Covid-19 as an opportunity to accelerate skills development (e.g. <https://www.hurriyetdailynews.com/over-450-000-apply-to-online-software-training-program-154356>) so they can capture more of the global value chain post-Covid.
- In healthcare related sectors, remapping will primarily depend on government policies and regulations. But EDOs and IPAs can play a really important role in strengthening local supply chains in these sectors.

Q: How can EDOs help existing investors assess and (potentially) regionalize their supply chain

Q&A RESPONSES

- Our next webinar will look at supply chain localization in more detail, but many EDOs and IPAs already had in place very strong supply chain programs doing exactly this. Czech Invest is a good example.
- A supply chain program is part of Investor Development. It requires identifying which sectors and which foreign investor in those sectors have the best potential for supply chain linkages.
- A potential pilot initiative should be discussed with investors in each specific sector to be covered to understand their level of interest, demand, current supply chains, if inward investment from suppliers could be attracted, whether they think local firms could potentially become suppliers, what support is needed to help local firms to achieve the required levels to become suppliers, does the foreign investor have supplier development programs in-house to do this or does the EDO/IPA need to organize this, which local suppliers have the best potential, and then organising match-making meetings and events and providing the support needed to enable contracts to be signed.
- Standard company databases can be used to identify local firms but, as far as we know, there are no off-the-shelf supplier databases readily available and to purchase reports on the supply chain of just one major MNE can run into \$1000s or \$10,000s. Really, the EDO/IPA needs to work with their foreign investors, sector associations, local EDOs, chambers of commerce, sector directorates in Ministries etc. to build-up their own unique databases of potential suppliers in each sector.
- Generally, we have found foreign investors to be very receptive to such programs and Covid-19 has shown just how important local supply chains are. Having local suppliers typically lowers costs, providing JIT delivery, and allows the foreign investor to work much more closely with the supplier. It also can enable the foreign investor to tick-off their CSR and SDG policies and get extra points from their HQ, investors, and host country governments alike.

Q: If all 4 steps are considered aftercare, what does the structure of a normal IPA look like?

Q&A RESPONSES

- Each EDO/IPA should develop its organizational structure based on the local economic and institutional structure and the evolving capacity of the EDO/IPA. There is no point doing Investor Development if Investment Facilitation is not working well and investors have difficulties getting their projects implemented.
- In most cases, Investment Facilitation and Aftercare (what we call “IFA”) should be a separate division in the EDO/IPA and ideally organized into sector team reflecting the key sectors for aftercare.
- In small EDOs/IPAs, IFA may start with 1-2 staff and then grow over time as the function becomes more successful and as the volume of investors increases leading to more demand for aftercare.
- As the IFA function grows and as Post-Investment aftercare becomes a well functioning activity, and depending on the services being provided already by other government departments, EDOs/IPAs can consider establishing an Investor Development Program (what we call “IDP”). This is often started by a pilot project focusing on one sector, and often around supply chain linkages e.g. in the automotive or hotels sector is frequently observed i.e. sectors with a high potential for supply chain development. These initiatives will require specialist skills, and typically we would see a sector team in the IFA division hire a supply chain specialist in the sector, typically someone who has worked in both foreign investors and local companies in the sector. As such programs prove their success and the EDO/IPA can make the business case for more resources, supply chain development (or other investor development programs like skills & development) can become a separate unit in the IFA division.
- The policy advocacy unit within an EDO/IPA should also typically sit in the IFA division. Policy advocacy is especially important for developing and emerging markets, can should be considered even if investor development is not being established.
- For larger countries or countries with local/regional EDOs/IPAs, the national IPA or state EDO may need to coordinate their aftercare program with local agencies who also can play an important role in delivery as they are on the ground with investors.

Q: The work load for IPAs has increased; how do we balance training, retooling etc.?

Q&A RESPONSES

- As with the business world, Covid-19 is an opportune time to increase training, professional development, implement new operating systems, improve work processes etc. There will likely (and hopefully) be no other time again when your whole team are “stranded” at home and don’t have the hectic international travel programs and site visit programs which characterize the FDI business.
- But aftercare has to come first. The focus must be on doing all you can do provide information and support your existing investors.
- In most countries, we now at least half-way through the crisis and an increasing number of countries from Greater China and Korea to New Zealand, Austria and Czech Republic to UAE and some countries in Africa have effectively greatly reduced or eliminated totally new cases of C-19. Countries going down the curve can now focus more on professional development, operating systems, FDI strategy, and lead generation.

Q: Is it useful/ worthwhile to make a distinction between FDI and LDI for reinvestment?

Q&A RESPONSES

- The answer does depend on the mandate of the IPA or EDO. Many IPAs are mandated to only work with foreign investors although in practice they are also supporting local firms connect into the supply chains and value chains of the foreign investors, even more so for IPAs with investor development programs.
- For EDOs, many are responsible for both FDI and LDI (or DDI as its sometimes call – Domestic Direct Investment).
- Theoretically, what's important is “multinationality” and “embeddedness”. Foreign investors are generally more multinational than domestic companies and therefore they have more options when it comes to “where to invest” or “where to rationalize”. Foreign investors also generally have much larger projects than domestic firms, are more export oriented, and operate in higher technology sectors and generally have far more capital available for reinvestment and expansion (of course there maybe exceptions in very large developed economies and EMs). In terms of embeddedness, it's very rare to find a foreign investor more embedded into the local economy and society than a domestic investor and FDI decisions are mostly taken outside the country unlike for domestic firms. Therefore, there are many reasons for focusing aftercare on foreign investors as on the one hand they can bring very strong economic development (and SDG) benefits while on the other hand they are more “footloose”.
- Domestic investors may already be receiving substantial support from local, state, and national government especially if they have strong political connections or are considered national champions and, in many countries, including in developed economies, the government may have equity stakes in domestic firms.
- For domestic firms which do not have support from other parts of governments and for domestic firms which supply “your” foreign investors, we would generally recommend that they are included in the aftercare program.
- The “nationality” of companies is also increasingly a grey area with the role of VC. Private Equity, SWFs, and family offices as major sources of FDI capital as well as more and more SMEs becoming international with multinational shareholders. Your “local” firm may have significant foreign investors.

Q: What impact do you believe Investment facilitation will look like through a WTO structure

Q&A RESPONSES

- Wavteq has been closely involved in the efforts to create a multilateral framework for investment facilitation and we have presented a paper to the WTO, available on our website, and participated in the WTO meetings.
- It is probably too early to make any concrete assessment of the likely impact this can have, other than there seems to be strong commitment and at very minimum, the efforts are leading to mutual understanding between countries on what is investment facilitation, why it is so important, and what are the best practices.
- This is an area of investment promotion which lends itself very well to international collaboration as it benefits all countries from both an inward investment and outward investment potential (a study just published by ESCAP shows that outward investment has really positive impact on the home country economy).
- We really support this initiative and believe it can lead to an international framework and standards for investment facilitation.



Q: Should IPAs collaborate with NGOs/Line ministries to provide effective support to investors?

Q&A RESPONSES

- Our general view is that the IPA should develop their own stand-alone aftercare program so it can effectively support foreign investors.
- Other stakeholders can be identified who can support the roll-out of the program.
- Often local and regional EDOs/IPAs are key partners in the delivery of an aftercare program.
- To facilitate projects and solve investor's operational issues, the EDO/IPA needs to have very good relations with other government ministries and departments. Ideally, the IPA should have a very strong mandate and investment law to facilitate this and the Board or Investor Council should have direct links into top levels of government.
- In many countries, the national IPA sits under the Prime Ministers office, so it has a powerful role in government.
- In terms of NGOs, these can be important when implementing investor development programs around CSR and SDGs, as they often have considerable expertise.

Q: For an environment where investors don't have the culture of aftercare how to build it?

Q&A RESPONSES

- Foreign investors will very much understand aftercare if they are operating in other countries which have strong aftercare programs – i.e. most developed countries and many emerging markets. Indeed, when we speak with investors, they often comment on the absence of effective aftercare as one of the reasons why they are not expanding in a particular country but instead are expanding in a country with a strong aftercare program.
- Having said this, many countries may be dependent on investors from other emerging markets who may not have operations in developed economies or countries with a strong aftercare program for many years simply because they are “emerging market multinationals” who are now expanding overseas.
- At the same time, we often see that overall a country may have limited experience and understanding of FDI let alone aftercare.
- If we look at the most successful locations for FDI, they have built up a culture of investment promotion – in countries like Ireland and Costa Rica this culture is so entrenched that it often seems that everyone from the taxi driver to hotel receptionist works for the IPA!
- Building up this culture requires strong marketing and communications within your country to showcase the importance of FDI, provide case studies of foreign investors and all the benefits they bring, and generally educate the country. Investment conferences can also be really powerful in raising the profile and understanding of FDI.



Q: Is this really a good time to suggest policy changes to Government?

Q&A RESPONSES

- Yes, we think it is.
- Governments have racked up, globally, trillions in debt to help our businesses and workers during this crisis.
- They need as fast a recovery as possible and business to resume full capacity and expand to end government support and start generating tax income to pay off debts.
- Any policy changes which can improve the business environment and location competitiveness for investment should be greatly appreciated across the world.
- At the time, there will be many lessons learned from this crisis and policy changes needed.
- This may include more resources for your EDO/IPA so you can provide more comprehensive aftercare services and to enable your organization to have the resources needed to focus much more on supply chain development and overseas representation to increase capabilities for aftercare and new business development.

Q: You've mentioned the healthtech sector. Can you say anything about the "cleantech" sector?

Q&A RESPONSES

- Cleantech has been one of the key drivers of the FDI market for many years now with very strong growth in 2019.
- This crisis has dramatically reduced demand for conventional energy, with renewable energy becoming relatively more important as a source of energy.
- The crisis has had an incredible short-term impact on emission levels and has amazed people all around the world with urban smog being removed.
- If studies do end up showing, as seems to be the case, that Covid-19 was much more harmful in areas with high pollution, such pollution levels will not be accepted again in many countries.
- Combined with the realization it is possible to cut down travel and still work, we expect that the shift to clean energy will accelerate post-Covid.
- There is also a strong economic development rationale as clean energy projects are typically very capital intensive and benefit from supply being close to demand, requiring local supply chains. There are also continuous technological advances and opportunities for locations globally to contribute to R&D in the sector.

Q: How best do we include the diaspora community in investing?

Q&A RESPONSES

- While not directly related to aftercare, diaspora targeting has been effectively promoted in by many EDOs and IPAs.
- Increasingly, such programs have been subsumed with broader “entrepreneurial FDI” programs, pioneered by the Chilean government to huge success in attracting start-up FDI, and with “copy cats” popping up including Invest HK, New York, Canada, Rwanda and other locations all nuanced to their specific local economic and institutional environments.
- Interestingly, while FDI – both greenfield and M&A – have collapsed in the short-term during this crisis, VC investment has hardly declined. This shows the potential for start-up investment, of which the Diaspora have a key role to play.

Q: What about FDI oversight by governments, to avoid predator investors?

Q&A RESPONSES

- We have seen numerous governments legislated so that domestic firms are protected from takeovers during this crisis, especially in critical industries.
- This was already a trend underway, with the US blocking all Chinese M&A, Germany moving to do the same, and pressure in the EU and other countries to restrict M&A. Canada has already had a very strong M&A screening program for many years.
- With the state having shareholdings in many major companies in many countries, protectionism against M&A was already widespread with the government effectively being able to veto M&A deals.
- While we understand the need to protect companies essential to national security falling into the “wrong” hands, with M&A deals needing very close scrutiny, generally we think that M&A can be very positive for economic development.
- The reality is many companies are going to go bankrupt due to Covid-19 unless a buyer comes in and the government cannot and should not prevent M&A of every “national” company.
- The definition of “national” is also a very grey area- publicly traded companies may have major shareholders all over the world, private companies maybe have VC or PE investors from other countries and SMEs increasingly have multinational shareholdings in our connected global economy. If the policy is to block M&A to prevent foreign ownership, governments will need to stop overseas investors buying shares of local firms, stop foreign VC and PE, prevent local companies from having foreign shareholders – this will lead to the destruction of economies.
- We have seen so many examples of successful M&A around the world which achieved long term economic developments not possible without the M&A. We believe IPAs and EDOs should include M&A as part of their service offer on a selective basis driven by the needs of local businesses.

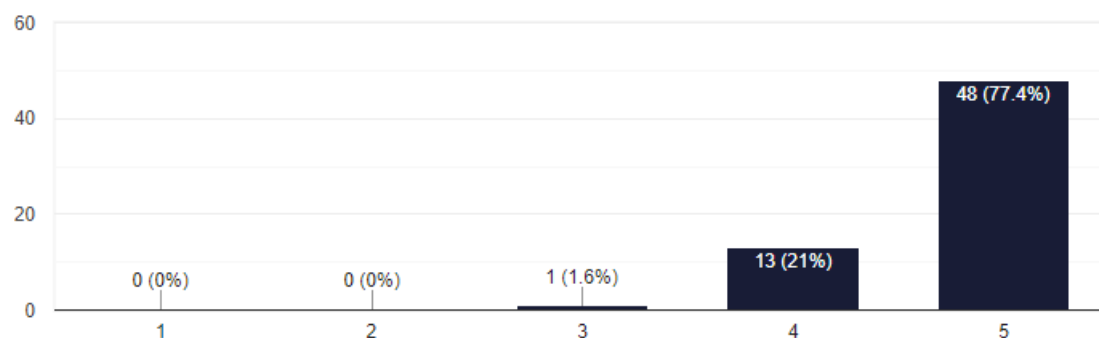
8. Webinar feedback results

Webinar Feedback Results

FEEDBACK

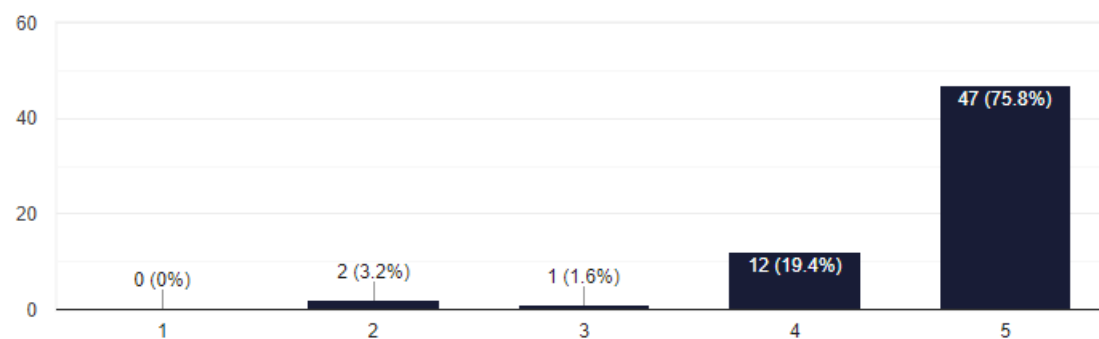
3) How would you rate today's presenters?

62 responses



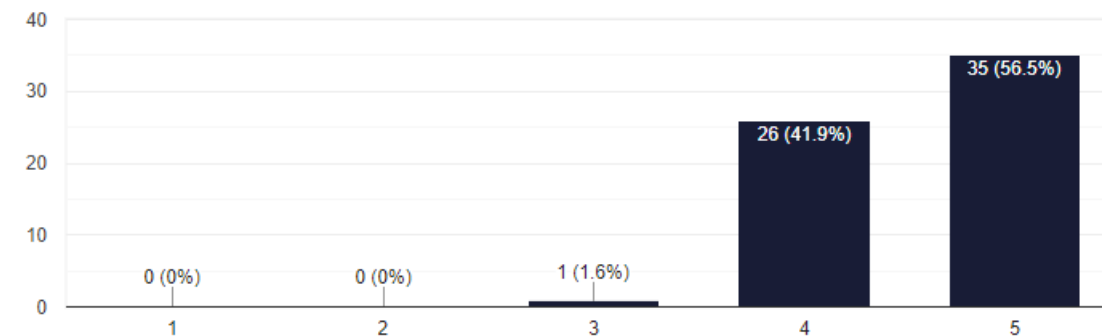
6) How likely are you to recommend Wavteq Webinar sessions to colleagues?

62 responses



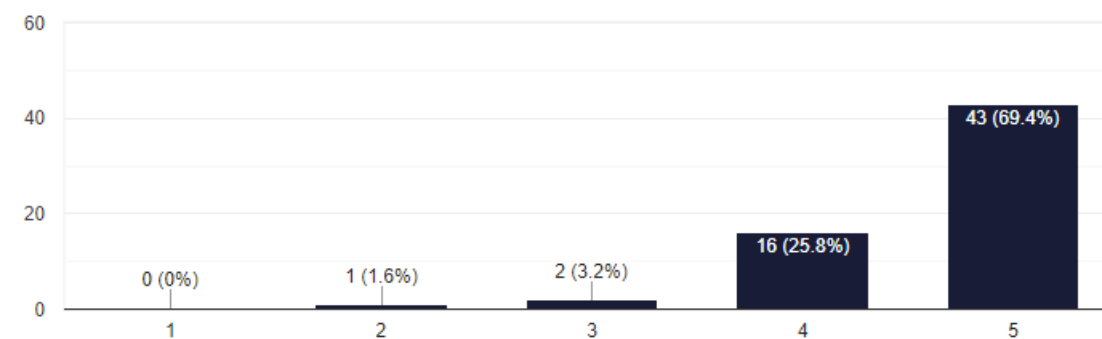
2) How would you rate the information you received through today's webinar?

62 responses



5) How likely are you to attend further Wavteq webinars?

62 responses



Webinar Recording



Watch Live Recording: <https://youtu.be/KSJxspt83cs>



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“On the road to recovery: from supply chain localization to business development how to maximize FDI post-lockdown ”

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Thank you!

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