Summary Report
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The joint APEC-BOI-FIAS Workshop on Improving Investment Promotion Performance in Accessibility to Investors and Information Provision was held in Bangkok, Thailand on June 3-5, 2009 at the Four Seasons Hotel. The workshop was attended by representatives of the following APEC member economies: Chile; China; Indonesia; Malaysia; Mexico; Papua New Guinea; Peru; Philippines; Chinese Taipei; Thailand; USA; and Vietnam. Invited as keynote speakers to the workshop were Ms. Maurine Lam from Austrade, Ms. Ajarin Pattanapanchai from the Board of Investment (BOI) of Thailand, Ms. Eun Hee Kim from the Korea Trade-Investment Promotion Agency (KOTRA), and Mr. Charles S. K. Ng from Invest Hong Kong.

Ms. Ajarin Pattanapanchai, Deputy Secretary General of the BOI, Ms. Hiroko Taniguchi, APEC Secretariat, and Robert Whyte, Investment Promotion Product Leader, Investment Climate Advisory Services, World Bank Group, opened the seminar by each presenting welcoming remarks.

Ms. Pattanapanchai commented on the interconnectedness of nations and their economies in the 21st century. Financial events such as the subprime crisis that originated in the United States affect everyone in the world, and even the recent H1N1 outbreak caused global concern.

Ms. Pattanapanchai proceeded to point out that given how small the world has become, investors are now able to choose from amongst nearly every country for their investment destination. Therefore, investment promotion intermediaries (IPIs) need to have a better understanding of how investors choose the location for their investment if they wish to influence an investor's decision making process. IPIs can work both harder and smarter to create a better investment environment and be more user-friendly for prospective investors.

Ms. Taniguchi commented on the timeliness of this much needed workshop and urged the participants to take the lessons they learn and apply them in their own economies.

Mr. Whyte commended APEC for organizing the workshop, noting that times of economic difficulty present governments the opportunity to enact needed change, including improving the performance of their IPI.

The workshop was divided into three modules.

The first module was dedicated to understanding exactly what investors need and expect from an IPI during the investment process, including how the current recession affects investor decision making. The second module examined online promotion and how IPIs can more effectively use their website to promote investment in their country. The final module focused on the importance of providing professional facilitation service to potential investors.

Module 1: What Investors Need and Expect

Session 1

Mr. Robert Whyte was the speaker for this session. Mr. Whyte pointed out that the recession has caused a significant decrease in access to credit across the globe, yet at the same time, many corporations are in need of refinancing. Add to this fact falling corporate profits and many companies are being forced to reassess their strategies, including halting investment plans and closing plants.

Mr. Whyte suggested that the combination of these factors is expected to cause global FDI flows to decline by more than 40% between 2008 and 2009. However, we still have no way of knowing what the actual extent and length of the FDI crisis will be, how different regions and countries will be impacted, the relative impacts on Green field and M&A investment, and which sectors will be most affected by the crisis.

With such a large reduction of foreign investment expected, competition for the few remaining investments is at an all-time high. At this point, FDI inflows to developed countries look most likely to be impacted as the largest investors in developed countries are typically financial institutions, many of which are struggling. Moreover, developing countries tend to fare better at attracting FDI than developed countries thanks to their more appealing cost structures. While at this time the effects of the FDI decline are particularly serious in Europe and the US, the worst may be yet to come for many developing and transition economies.

Thus far, Mr. Whyte observed, Green field investment appears to be bearing the crisis better than M&A investment. The reason for this is that Green field FDI is primarily funded from earned profits and internal funding sources, so it is less affected by the external liquidity crunch, at least in the short term. But it is possible that the impact on Green field FDI simply lags behind, and as corporate profits fall, so will their FDI requirements. Regardless, the search for lower cost solutions will continue to propel Green field FDI; the only question is who will be the recipient.

As of now, each sector of industry is responding to the crisis in its own way, but several of the traditionally important industrial sectors are among those that will be hit hardest by the FDI crunch. This includes major employers like the automotive, chemical, electronics, and textile industries. However, several relatively new sectors should continue to fare well, including renewable energy, healthcare, and aerospace.

Therefore, given these trends, who will ultimately be the winners and losers in the battle for FDI? Of course companies will still be drawn by factors such as low labor costs, low taxes, access to incentives, developed infrastructure, etc., but recent research suggests that other ‘soft’ factors are beginning to take on more importance. These ‘soft’ factors include IPI responsiveness and professionalism during each phase of the investment process, as well as the provision of lots of high-quality information so that investors can be certain they are making the right decision.

But what does all of this mean for IPIs? For starters, all IPIs should begin paying more attention to aftercare services as it is essential that countries hold on to the FDI they already have. On top of that, IPIs need to reassess their country’s investment climate and try to make improvements when possible. The FDI crisis has caused greater competition for fewer projects, so countries need to be able to differentiate themselves from their competitors. One way to do this is through providing quality information and investment facilitation, both of which are relatively cheap. Moreover, IPIs should target their sectors that have high growth potential and in which their country is truly competitive.
Session 2

Topic: Why Good Facilitation Matters

Ms. Maurine Lam, Senior Trade Commissioner of Austrade’s Bangkok office, was the guest speaker for this session. She described Austrade’s experience of integrating Australia’s trade and investment organizations and explained how good investment facilitation can make all the difference in winning an investment.

Prior to 2008, Australia had two separate organizations responsible for handling exports and outward investment (Austrade) and inward investment (Invest Australia). However, in November 2007, there was a change of government in Australia and the two organizations were merged the following year into a single organization known as Austrade. The rationale for the integration was to be able to more effectively exploit the synergies between trade and investment and to better leverage the country’s existing resources and networks.

Obviously, the integration presented several challenges, not least of which was that the integration needed to be done as quickly and smoothly as possible. The external structure of the new organization had to be logical and coherent to outsiders, which required the development of a new joint website to serve as the face of Austrade and the integration of the two organizations’ IT platforms. Furthermore, staff needed to be retrained and new work flow processes had to be developed.

The decision to integrate has worked out well for Australia. Austrade fared well in the World Bank’s 2009 Global Investment Promotion Benchmarking Report (GIPB), particularly in the inquiry handling portion, where they ranked third. According to the report, Austrade excelled at being accessible as they were easy to find on the web and they responded quickly to the investor’s inquiry. Moreover, Austrade remained business oriented throughout the investment process, from inquiry to follow-up, and they maintained their credibility by using only quality, sourced information. Many factors were required in order for the integration to be successful. However, the most important factor was strong commitment from Australian leadership, starting with the Minister.

One area in which Austrade has been particularly successful is at taking a strategic partnership approach when courting investors. When Austrade talks to a prospective investor they first try to understand the investor’s underlying business objectives and how Austrade can help them. Then they focus on the investor’s key decision points and try to meet their information requirements at each step of the process. Finally, they articulate the value that can be added by working with Austrade and proceed to deliver that value. Moreover, Austrade does not stop after winning the initial investment. They try to leverage that first investment as they continue to follow-up with the investor by seeing what is next on the investor’s agenda.

Austrade’s ultimate aim is to form a long-term partnership with the company so that they will be more likely to look to Australia again the next time they are considering making an investment.
Session 3

**Topic:** Understanding Investor Decision-Making: Overview of the Site Selection Process

Mr. Robert Whyte spoke during this session about how investors decide where to invest and the many factors that influence their decision. The investor site selection process can be broken up into three distinct phases: long listing, short listing, and negotiating. During the long listing phase, a company creates an initial list that typically consists of around 8-20 potential locations. Over the course of 2-3 weeks, investors gather information about countries’ market sizes, labor costs, infrastructures, tax systems, and so forth, and then use it to make broad comparisons of countries. If for some reason the investor is unable to find information about a particular location, then that country will typically be removed from the list of possible candidates.

When an investor has gathered all of the necessary information and made their comparisons, they can move on to the short listing phase. Companies will trim their initial list down to no more than 4-6 possible locations, then move on to do more in depth research of the remaining candidates. This includes visiting the different countries to confirm that it is a viable option for the company and identifying specific opportunities and risks within each country. During this process, an IPI can assist the company by providing detailed information about their location and offering logistics support during the investors’ site visit.

At this point, companies typically trim their list of candidates down to 2-3 locations to negotiate with. Investors will seek out incentives and investment facilitation services from the IPIs (such as ensuring permits are granted speedily) and ultimately make their decision about where to invest.

The key takeaway from this session is that if IPI’s cannot get their country on the long list, they have zero shot at making the short list or ever winning the investment.

There are several ways for an IPI to enhance their country’s chances of making it to the long list.

For starters, Mr. Whyte suggested that IPI’s should only target those sectors where their country is able to compete effectively. Attempting to attract investors to a sector where the country is not truly competitive is usually not a productive use of resources. Furthermore, IPIs should have quality data readily available to meet the company’s informational needs. Lastly, it always enhances a country’s chances if the IPI provides international business standards of customer service. Doing this makes the whole country appear more professional, just as failing to provide quality service significantly lowers a country in an investor’s eyes.

Mr. Whyte noted that the consulting firm A.T. Kearney did a study in 2007 to determine which countries were the most attractive in terms of making the long list. The study was weighted, with 40% of a country’s score being determined by financial costs (labor, infrastructure, taxes), 30% by people skills and availability (IT experience, education level, language skills, attrition rates), and 30% by the country’s business environment (infrastructure, cultural adaptability, security of intellectual property). Several APEC members fared well in the index, with China, Malaysia, Thailand, Indonesia, Chile, the Philippines, and Mexico all ranked in the top ten.
Session 4

**Topic: Global Investment Promotion Benchmarking 2009 (GIPB)**

For this session, Ms. Celia Ortega, Investment Promotion Officer from the Investment Climate Advisory Services department of the World Bank Group, presented the results of the World Bank’s Global Investment Promotion Benchmarking 2009 (GIPB 2009) Report. The GIPB measures how well a country’s investment promotion efforts rank versus its competitors, how competitive a country is in promoting foreign investment, and whether or not a country is achieving its potential to attract investment.

To perform this study, staff of the World Bank Group posed as representatives of two companies seeking to make an investment; one a manufacturing company and the other a software development company. From there they assessed the information provided on each IPIs website and also how well each IPI performed at handling investment inquiries from the two fictitious companies. Part of the motivation for the GIPB report was a recent survey conducted by DCI Consulting. 64% of the survey’s respondents (made up of 3600 large US companies ($25m+)) said they would use IPI websites during their next location search and 92% said they would contact the IPI during the investment decision process.

The results of the GIPB report were both informative and revealing.

Ms. Ortega noted that virtually every country has an agency mandated to promote FDI and facilitate investor entry, and most of these IPIs can be found online. However, she observed that many IPIs either don’t have the skills to develop the kind of information that investors need or do not consider it important.

OECD countries still dominate the top of the rankings, but their dominance is now being more closely challenged by Latin America and Eastern Europe and Central Asia.

Since 2006, nearly every region has improved their GIPB performance, and centers of excellence are emerging in all regions. Most of the gains can be attributed to improvements made to the websites, as there was very little change in how well IPIs handle investor inquiries. Most IPIs still struggle to respond to investors’ information needs and are thus unable to influence investors’ decisions in their favor. In fact, many of the IPIs failed to even respond to the ghost companies’ inquiries. However, it should be noted that both Thailand and Papua New Guinea were recognized as some of the world’s top improvers over the past two years.

An interesting finding of the GIPB report was that smaller, sub-national IPIs tended to perform very well. Sub-nationals excel because they are in a position to generate uniquely detailed knowledge of their local area, and because they can focus on providing the absolute best service to their limited number of investors. Sub-national IPIs have proven that, when it comes to investment promotion, small is beautiful.
Session 5

Topics: GIPB 2009: Implications for APEC

Speaking during this session was Mr. Robert Whyte, who pointed out that IPIs are missing out on many investment projects and jobs as a result of poor performance, particularly in the area of inquiry handling, noting that, “When foreign companies knock on the door, IPIs often do not respond.”

Mr. Whyte noted that while OECD high-income countries were the top performers in the GIPB report, if you consider APEC to be a ‘region’, it ranked second.

There were significant discrepancies in the GIPB scores of the different APEC members. While participating economies’ scores remained private, they were divided into five performance categories. Of the 21 members, only Canada rated as ‘Best Practice’ (81-100%) and only Russia fell in the lowest group (0-20%). The rest of APEC fell somewhere in between. In general, APEC IPIs can be classified into one of three broad groups: those already performing competitively, those which have the fundamentals in place but are not performing up to expectations, and those IPIs in which the fundamentals are still lacking.

On the website assessment portion of the GIPB, IPIs’ websites were scored according to the following criteria: Information Architecture (10%), Design (10%), Content (50%), and Promotional Effectiveness (30%). Overall, APEC as a group reached best practice in terms of Information Architecture and Design, and eight members (New Zealand, Korea, Peru, China, Hong Kong, Canada, Malaysia, Mexico, and Japan) reached best practice in their website assessment. Moreover, only two APEC members scored within the weak or very weak range. When comparing APEC’s OECD and non-OECD members, performance gaps were present in all four scoring criteria, with the largest being in the design (usability) of the different websites. However, content is still an issue for nearly every website.

For inquiry handling, IPIs were evaluated in four different areas: Availability & Contactability (10%), Responsiveness & Handling (15%), Response (55%), and Customer Care (20%). In a very telling and disappointing sign, seven of the 21 APEC IPIs did not even respond to repeated inquiries from the fictitious manufacturing company and eight did not respond to the software company’s inquiries. Moreover, 10 IPIs did not follow-up with the investors, resulting in scores of 0% on Customer Care. Despite the less than stellar results, APEC as a group actually scored better than the world average. APEC’s average was boosted by the performances of Australia and Canada, both of which achieved a score above 80% in both inquiry handling scenarios.

The GIPB revealed a couple of interesting lessons. The first is that an IPI does not need to be big or wealthy to be effective. For instance, Brunei was one of APEC’s top performers. Facilitation is one of the cheapest aspects of good investment promotion and providing quality information over the website is relatively cheap as well. The second lesson involves performance consistency. Many agecies are able to provide high level of service to potential investors, but most fail to do it consistently. Several IPIs received noticeably different scores for their response to the manufacturing inquiry and their response to the software inquiry. For example, had New Zealand performed as well at responding to the manufacturing company as they did to the software company, they would have joined Canada in the best practice group.
Session 6

**Topic:** What Makes a Good Facilitator?

The speaker for this session was Ms. Celia Ortega. During this session the top 25 GIPB performers were analyzed to find commonalities. Three common practices emerged from the analysis.

First, inquiries are taken very seriously. Of the top 25 performers, 79% utilize key account management, a system where a single person is assigned to handle each lead, and 86% screen and prioritize inquiries according to the potential value of the investment and the priority level of the sector to be invested in.

Second, the majority of the top IPIs are very systematic and clear in their response processes. 92% use Client Tracking Systems, 92% have written staff guidelines on how to respond to inquiries, and 86% have periodic staff meetings to update everyone on the status of potential projects.

Lastly, the best IPIs hire the right staff at the right pay; 76% of the staff of the top 25 performers has private sector experience and 71% are paid at levels greater than the public sector.


Regarding the first aspect, Strategy, IPIs should constantly benchmark their own location to understand the sectors in which they are truly competitive. Furthermore, she noted that it is often wise for IPIs to divide themselves into two teams, an information team and a facilitation team. The information team’s job is to understand the critical factors for investment decision making and then generate accurate, relevant, and up-to-date information. Meanwhile, the responsibility of the facilitation team is to respond to investor inquiries by delivering the information while making the IPIs business case and providing customer care.

Secondly, IPIs should focus on Knowledge Management. It is important for each IPI to maintain a good investor information system that has general information about its location (macroeconomic, trade, political, taxation, geography, demography, etc.), comparative data versus key competitors for FDI, and up-to-date sectoral information. From such information an IPI can prepare an ‘Inquiry Bank’, which contains prepared responses to typical inquiries, thus saving the IPI a great deal of trouble. When all of this information is generated efforts should be made to avoid inconsistencies and repetition across departments.

The third key to being a good facilitator is maintaining a sound internal system. It is very important that no investment opportunities fall through the cracks, and to ensure that they do not, an IPI should develop and enforce staff guidelines describing the responsibilities of each officer throughout the inquiry process. Furthermore, it can be helpful for an IPI to prioritize its investor inquiries by ranking them according to sector priority, investment value, the number of jobs created, and so forth. Also, weekly meetings to update staff on the status of potential projects can make it less likely that an inquiry is forgotten. The best IPIs respond to every inquiry!
The fourth factor is Technology. It is essential that investors can, at the very least, find the IPI and its relevant contact information on the web. And, once investors are able to find out the IPIs contact information, they need to be able to reach someone at the IPI, both through a good phone system (individual phones with voicemail function for officers are a must) and email. The bottom line is that IPIs need to use some sort of Client Tracking System, be it high-tech or low-tech.

Fifth, it is imperative that IPIs monitor and evaluate their own work. This is particularly applicable to management level officers, who need to track the entire investment generation process, from inquiry to investment, and set performance targets for their staff. The idea is to be able to convert a certain percentage of investor inquiries into actual site visits. Once an investor is in the country, an IPI has a much better opportunity to influence their decision. Another way for an IPI to measure itself is to survey client satisfaction some weeks after the investor has received their response.

Lastly, there is the ever important Human Dimension. Ms. Ortega pointed out that IPIs are typically staffed with government bureaucrats who frequently fail to connect with the business community. She observed that it is important for IPIs to recruit the right skills, which means hiring people with private sector experience in each of their priority sectors. Such people, she observed, are better able to understand the standards and service expectations of investors. It is also useful, she added, to invest in ongoing staff training and soft skills so that all employees reflect the professionalism of the IPI.

In the end, being a good facilitator comes down to one key point — having the will to be a good facilitator. Facilitation is among the cheapest and most cost-effective ways to promote a location to foreign investors, but going the extra step to ensure investor satisfaction requires a commitment to excellence that only the best IPIs can maintain.

Module 2: Online Promotion: Effectively Using the Web for Investment Promotion

Session 7

Topic: Understanding How Investors Use Online Information Sources

Ms. Roxanna Faily, Investment Officer for Multilateral Investment Guarantee Agency (MIGA), was the speaker for this session. She focused on global trends in internet usage, how investors are using the web, and the implications for IPIs.

Ms. Faily observed that more people are going online than ever before; there were an estimated 1.5 billion internet users worldwide in January 2009. Moreover, with developments in mobile technology, people are able to access the internet from almost anywhere.

She noted that virtually every potential investor is now using the internet to assemble their ‘short list’ of potential investment destinations. In recent years, online sources have moved into the top five primary influencers of corporate executives when they are forming their perceptions about a country’s business climate. Moreover, the internet ranks as the most effective marketing technique for influencing site selection.
Investors seek out a wide range of information when researching investment destinations on the web. This includes information about a country’s human resources (i.e. average wages, education, etc.), regulatory environment, property, investment incentives, testimonials and/or case studies, and sector specific information. Another key element corporate decision-makers look for when considering an investment are the other companies in their sector who are already operating in that location, meaning both rivals and suppliers.

The increased prevalence of the internet is both positive and negative for IPIs. As the development of a quality website is relatively cheap, more and more countries are able to effectively compete for inclusion on investors’ short lists. Moreover, the internet allows IPIs to access a much greater range of potential investors whom the IPI might have never known were evaluating investment opportunities.

However, Ms. Faily pointed out that this leveling of the playing field presents negatives as well. There is now far greater competition over FDI as companies have significantly broadened their horizons with regards to what countries they would consider for their investment. And, as beneficial as it can be for one country’s IPI to have a website, if a company cannot find a country’s website, it is often never even considered.

Session 8

**Topic:** Enhancing Your Content to Meet Investor Needs

For this session, Ms. Roxanna Faily spoke about how IPIs can improve the content of their websites. The session began with a breakdown of APEC members’ performances in the website content evaluation of the GIPB report. Overall, APEC members outperformed their global counterparts on the website content evaluations, but individual site performance varied significantly and content remains the weakest area of APEC members’ websites.

While APEC members largely performed well in the areas of Clarity of Purpose, Currency of Information, and International Accessibility, many of the websites suffered from the same pitfalls.

For starters, there is often inconsistent depth throughout the sites, with some sections, specifically sector-specific sections, having little to no content. Ms. Faily remarked that it is preferable to simply not have a section if you do not have information to supply. Other common mistakes are not using or citing authoritative sources of information and not leveraging existing information from your partners or potential partners.

Ms. Faily commented that when developing their websites, many IPIs seem to have lost sight of the ultimate user of the site — investors. Investors are task-oriented when they visit an IPI’s website, and it is the IPI’s job to help them achieve their goals as quickly and effectively as possible. When investors are researching possible investment destinations they are seeking easily accessible, well presented information about a country’s human resources (i.e. average wages, education, etc.), regulatory environment, property, investment incentives, testimonials and/or case studies, sector specific information, and so forth.
The next step in improving a site’s content is being able to identify and evaluate high-quality content. Ms. Faily pointed out the four main criteria that should be used to evaluate content quality: Relevance, Timeliness, Credibility, and Accessibility.

When evaluating content Relevance, IPIs need to determine if the information is actually facilitating the investor’s due diligence process. To serve the needs of investors, IPIs should be providing key data such as sectoral information and information about their location’s comparative advantages as an investment destination.

Timeliness is also important as investors want current information and only current information; they should not have to sift through old information determining which reports were the most recently published.

Moreover, the up-to-date information must be Credible. All of the posted information should be factually correct and not conflicting with information found elsewhere on the site. The information should be from authoritative sources and be presented in a professional manner.

Last, evaluate the Accessibility of the site. It can be helpful to have multiple language sites (if the IPI’s budget allows them to all be high-quality) that are intuitively organized.

Session 9

Topic: Overnight Reading: Focus on eFlorida.com

The facilitator for this session was Mr. Thomas Tichar, Investment Information Analyst for MIGA. He gave the workshop participants an overnight assignment to read a case study about Enterprise Florida’s website eFlorida.com. The website is a new example of best practices in globalization of web content and marketing messages, utilization of IT tools to increase the site’s lead-generation capacity, provision of detailed site selection information to potential investors, provision of multiple avenues of access to finding information, creation of map portals to regional investment promotion intermediaries and companies, and development of partnerships to facilitate content development and collaboration.

In July 1996, the US state of Florida replaced its Department of Commerce with Enterprise Florida Incorporated (EFI), a public-private partnership responsible for leading Florida’s statewide economic development, international trade, and statewide business marketing efforts. This model, which was the first of its kind in the United States, requires EFI to employ an efficient and market-oriented approach to doing business and to emphasize partnerships with other public and private sector organizations.

In 2003, EFI completely revamped its brochure-ware web pages and launched eFlorida.com, an easy-to-use, content rich, interactive website. According to EFI management, the rationale behind investing in a state-of-the-art website was simple; a new up-front investment would enable EFI to achieve the broadest possible reach at the lowest cost. EFI staff would also benefit since much of the information and analysis they needed to share would be accessible online. eFlorida.com is one of a small number of websites of US IPIs that stands out in terms of information, architecture, quality of navigation, website design and ease of use, and breadth and depth of content provided. The site provides all of the standard features of a high-quality IPI website, including sector profiles; lists of major investors in the region; background statistics; information on the available workforce, transport, and infrastructure; interactive
maps; news and announcements; and property information. It is also consistent in its marketing messages. Everything on the website reinforces the position of Florida as a global location and as an innovation center.

The workshop participants were asked to read a review of eFlorida.com’s best practices overnight. When the group reconvened in the morning, they held a discussion about the website’s best and worst features and reflected on which could be most easily applied to their own website. Moreover, the process by which EFI developed their website was reviewed so that participants could apply many of these same lessons in their own IPI.

Session 10

**Topic:** Upgrading Website Content Strategically

Ms. Ajarin Pattanapanchai, Deputy Secretary General of the Board of Investment (BOI) of Thailand, was the featured guest speaker. The BOI has been applauded for their website, both for the initiative shown in first developing the site and for the commitment they have shown to improving it over the years.

In 1995-1996, the BOI developed and launched its website as a “test project” as a way to gain around-the-clock access to investors and remove the burden of time differences. The 20-page site, the first website for any government agency in Thailand, covered simply the basic policies and measures. All of the content was in English, as the BOI recognized that English is considered the international business language and the majority of its target customers would be English-speaking.

The feedback for this test site was extremely positive, both from investors and from the Thai private sector, so the BOI looked to expand the range of information it offered online. In 1996-1997, the BOI assigned a team to further develop the site, and within one year the number of English-language pages increased from 20 to more than 300. At the same time, some Thai-language content was added.

One of the first obstacles the BOI encountered was keeping the website’s content up-to-date. They also recognized that they would need specially trained staff to update the site and add new information. So in 1998, when the website was in need of a overhaul, the BOI commissioned consultants to develop a new look for the site and increase the content to 498 pages. One key addition during this time was a ‘Search’ function.

In 1999, the BOI responded to feedback from investors (as well as their overseas offices) and began to translate pages in Chinese, French, German, and Japanese. Also, to accommodate the rapidly expanding site, the BOI moved it from within Thailand to a “server farm” in the US that could provide greater bandwidth, thus speeding access to the site.

By 2000, many Thai government agencies had their own websites. However, bandwidth limitations made it cumbersome for investors to go from site to site to gather information. To solve the problem, the BOI developed the Thailand Information Database, which incorporated content from key economic websites, thus allowing investors to access all relevant information from a single high-speed source.
By 2003, the BOI recognized that manually coding web pages was a laborious process. So, in 2004, the BOI and outside consultants developed an automated front-end system that supported the development of static and interactive pages under the concept “BOI Portal”. The new front-end system facilitated the updating of interactive files not only by the BOI’s Investment Service Center staff, but also by the staff of the BOI’s other divisions.

In 2006, the World Bank’s Multilateral Investment Guarantee Agency (MIGA) produced their first GIBP report and noted several areas where the BOI could improve its site. In response, the BOI added more information about Thailand’s sectors of opportunity, all relevant laws, ISO certification requirements, and the activities of the BOI’s overseas and regional offices. Moreover, they added a site map and linked it to the information on the site, thus making it easier to access the desired information.

The most important lesson the BOI learned while developing its website over the years is the necessity of frequent updates. To ensure the currency of its website, the BOI employs outside consultants to help with the “static pages” and assembled a “website committee” that works to update the interactive pages and check the accuracy of pages before they are uploaded. Now, most pages are updated several times a year, some even monthly or daily. Moreover, the BOI has recently added a seventh language, with key content now available in Korean.

For the BOI, the improvement process is ongoing. Over the next 12 months they will be overhauling the website to give it a new and more attractive design. The idea is to add more flavor to the design, but at the same time keep the website simple and easy to navigate. There will be easier access to the BOI’s public relations material, and the website’s security will be enhanced. In addition, the BOI will try to provide more services online so that they can assist investors when they need it, not just during business hours.

**Session 11**

**Topic: Promoting Your Services and Website Successfully**

Ms. Roxanna Faily was the speaker for this session. She began by presenting detailed results of the overall promotional effectiveness of APEC IPI websites from the GIBP report. APEC members outperformed the global average in all aspects of promotional effectiveness, which includes ‘Web Prominence’, ‘Corporate Roles and Support’, ‘Contact Information’, and ‘Promotional Effectiveness’. The area in which APEC IPIs could improve the most was at presenting the competitive advantages of their investment destination.

When evaluating the promotional effectiveness of its website, an IPI should confirm that it is successfully anticipating the majority of an investor’s questions and is answering them with the provided information. This includes listing comprehensive and accurate contact information in the case that the investor’s question is not answered on the site. Another area to be evaluated is the salesmanship of the site, meaning both selling the country as an investment destination and selling the IPI as a partner in facilitating investment. Far too often IPIs simply list information but make no real effort to actually try to influence the investor’s opinion and play an active role in the decision making process.

Many IPIs also need to be more proactive at reaching investors through their websites. There are numerous ways to enhance a website’s visibility on the internet; for starters, effectively using search engines. One way an IPI can enhance its website’s placement amongst search
results through the use of keywords and tags. Another possibility is inviting the site’s current users to spread the word about the site by providing a forwarding option or links to message boards or blogs where the user can share their opinion of the site.

IPIs can greatly magnify the reach of their websites by forming partnerships with other related organizations. For instance, an IPI can offer to do a website banner exchange with the likes of foreign embassies, business associations, chambers of commerce, and so forth. The use of other online tools such as Wikipedia and Facebook can be another avenue an IPI uses to reach a larger and wider audience.

Lastly, IPIs should be active in evaluating the effectiveness of their online promotion efforts. A simple way to do this is by monitoring website traffic. Site analysis tools such as Google Analytics can allow an IPI to see how web traffic is arriving at the site, what kind of users are visiting the site, and which areas of the site are the most popular. Analysis of this information can allow an IPI to more effectively target its marketing scheme and optimize its website.

Session 12

**Topic:** Web Clinic – Invest Ukraine

During this session, Mr. Thomas Tichar facilitated a group discussion involving Invest Ukraine’s website. Participants were broken into groups and were then asked to review a series of screenshots from the site. The groups then answered questions to evaluate the effectiveness of the site’s different aspects. Invest Ukraine was not chosen as a result of performance but rather as an example because it effectively highlights many of the key issues being discussed in the workshop. The exercise stimulated a great deal of discussion and allowed the participants to practice using some of their critical evaluation skills and learn from the perspectives of their peers.

Session 13

**Topic:** Invest Korea: Using the Web for Effective Investment Promotion

Ms. Eun Hee Kim, Assistant Manager for Korea Trade-Investment Promotion Agency (KOTRA), was the guest speaker for this session. KOTRA launched its website, Invest Korea, in July 1999. The site, which is currently available in Korean, English, Japanese, and Chinese, had more than 162,000 visitors from 178 countries between May 2008 and May 2009.

KOTRA makes frequent use of site analysis tools such as Google Analytics to optimize Invest Korea. The tool revealed which of the site’s contents are most commonly viewed, allowing KOTRA to place them on the site’s home page in an effort to minimize the site path investors have to follow to get to the information they want. This included popular features like the Investment Guide, FDI Procedures, and Doing Business in Korea.

While constantly working to improve Invest Korea, KOTRA has three goals in mind. First, they want to be able to provide online support throughout the entirety of the investment process. Part of doing this well is designing an intuitive website. When potential investors visit Invest Korea they are able to follow a logical path, navigating from information about Korea’s overall investment environment and target industries to information on the different
regions of Korea, then on to Korea’s FDI procedures and administrative information, and lastly to information about the daily living environment in Korea.

KOTRA’s second goal is to be able to interact with investors via Invest Korea. Ideally, investors can email officers at KOTRA for different forms of consultation, be it help understanding Korea’s labor or tax laws to opinions about the best places to live in Korea. Also, KOTRA would like to be able to provide assistance with grievance resolution should it be needed. KOTRA officers will offer advice to troubled investors and guide them to the Investment Ombudsman website. One important thing to remember when offering these sort of interactive services, however, is that the IPI absolutely must respond to investors. Not responding is a major negative to potential investors and it will go a long way toward steering an investor away from your country.

The last goal is to optimize Invest Korea’s online positioning compared to competing FDI destinations. One way in which KOTRA has pursued this is through keyword advertising with Google. Over the course of five months, the KOTRA team invested in selected keywords so that when people use a particular keyword they will see an advertisement for Invest Korea. Another method KOTRA used was doing website banner exchanges with other relevant websites, including chambers of commerce and industrial organizations. Both of these activities effectively increased the visibility of Invest Korea and make it more likely than an investor will visit that site rather than one of Korea’s competitors’ sites.

In conclusion, as UNCTAD has predicted a 21% decrease in global cross-border FDI in 2009, it is necessary for IPIs to: enhance their promotional effectiveness of their website; make continuous efforts to understand potential investors’ needs and reflect them online; and adapt to the fast changing trends of the internet by making use of the latest online tools.

Session 14

Topic: Magnifying Your Reach and Impact with Partners: MIGA Tools

For this session, Mr. Thomas Ticha and Ms. Roxanna Faily spoke about what MIGA does and how the IPIs of APEC can utilize MIGA to their advantage. MIGA (Multilateral Investment Guarantee Agency) is a member of the World Bank Group. It was created in 1988 with a mandate to promote foreign investment in developing countries by providing non-commercial risk insurance for investors and lenders, technical assistance to help countries attract and retain FDI, and online investment information dissemination on business operating conditions and investment opportunities in emerging markets.

MIGA currently serves more than 100,000 investors and FDI practitioners through its two online research and knowledge services FDI.net and PRI-Center. FDI.net is a global knowledge portal for investors to source information on FDI. PRI-Center is an investor-oriented information service on political risk management within different countries. An additional 25,000 subscribe to MIGA’s monthly newsletter.

There are many ways in which MIGA’s research and knowledge services can help IPIs. First, they help IPIs stay abreast of the latest developments in FDI and political risk management. This includes providing reports about the latest FDI trends and country-specific pages that shed light on how a country is perceived internationally. Also, MIGA can promote awareness and understanding of a country and its IPI to a targeted audience of investors.
There are three ways for an IPI to work with MIGA, as a general relation, as a content partner, and as a featured partner. As a general relation, MIGA will simply list an IPI’s information in its directories. However, as a content partner, MIGA will make sure that users can access the latest information on a country’s investment opportunities. Receiving information from a credible organization such as MIGA breeds familiarity and comfort with investors. Lastly, an IPI can become a featured partner by contributing exclusive articles and interviews to MIGA, or using a MIGA site to launch a new sector promotion campaign. This allows the IPI to have their own featured page on the site and participate in regional or sector spotlights.

Best of all, MIGA’s services in this area are free of charge. All IPIs have to do is provide MIGA with accurate and up-to-date information and MIGA will do the rest.

Module 3: Meeting Investors’ Information Needs One Investor at a Time

Session 15

**Topic:** Handling Investor Inquiries: The Importance of Offering Professional Service to Investors and How to Respond

The speaker for this session was Mr. Robert Whyte. To begin this session participants were asked the following question: Why is it important to offer professional information and facilitation service to investors? The answer: Because if you don’t, prospective new investors will simply go elsewhere. This leads one to ask what exactly would cause investors to walk away?

To answer this question, participants were walked through the experiences of the GIPB’s two fictitious companies. To begin their search, the companies went to the internet to look for general country information. But they were only able to find IPI websites for 165 of the 181 countries they were considering, and only 152 of the websites provided an email address at which the IPI could be contacted. When the companies sent the IPIs an email, only 9 replied within 24 hours, a typical deadline for busy executives.

The companies then tried to locate phone numbers for each of the IPIs, yet they were only able to find them for 150 of the IPIs. When the companies attempted to call the IPIs, they were only able to reach them immediately in 59 cases. After three days of repeated attempts, only 102 of the 181 had been contacted. If one assumes that the company will attempt to follow the easiest path when choosing an investment destination, then 79 countries had already effectively removed themselves from the list of possible candidates.

Once the company successfully reached an IPI representative from each of the remaining countries, only a third knew anything about the investor’s previous request for information. In the majority of cases the staff member had not seen the investor’s email, and their response was simply to tell the investor to resend the email to the same address where it had previously gone unnoticed. This did not merit removal from the list of candidates, however, though it certainly would not help a country’s cause.

Of the 102 agencies successfully contacted, only 53 submitted a response within the 10 working-day deadline set by the “busy investors”. Worse, only 24 of them even attempted to
provide answers to all of the questions asked in the two inquiries. With these sorts of results, the fictitious companies found themselves in the same situation as many real investors — lacking the information they need to make a sound investment decision.

When it came time for the IPI to follow-up with the investors, only 14 made an ongoing effort to actually promote their location by providing reasons for the project to go forward; only 10 checked to see if responses had been received for both inquiries; and only 6 asked for the investor’s reaction and inquired about the progress of the project. This means that only 6 out of 181 global IPIs saw the process through to the end.

Analysis of these results revealed three common failures on the part of IPIs. The first was a lack of understanding of investment market trends and what drives corporate investment decisions. Second, many IPIs have insufficient knowledge of their own capabilities, which often inhibits dialogue with investors. Moreover, this often de ludes IPIs into believing their country has comparative advantages that it does not, which can result in lost investments and wasted resources.

The third common failure relates to a lack of organizational excellence. It is understood that all large organizations have their share of administrative difficulties to deal with like local bureaucracy, but in the world of foreign direct investment, investors should never be privy to these difficulties. All of this ‘back office’ activity results in a lack of investor confidence, which can scare investors into looking at other locations for their investment.

Several lessons can be learned from examining the results of this study and comparing them to the best practices. The first is simply making your website easy to find and checking to make sure that all contact details listed on the site are accurate. Second, when a company does inquire about investment opportunities, be prepared to reply quickly and accurately. Have a systematic approach to handling investor inquiries in place and follow that system closely. This includes following good business practices and etiquette when communicating with investors, something many IPIs struggle with.

Session 16

**Topic: Group Exercise: Building a Compelling Business Case**

The facilitator for this session was Ms. Marta Bruska. Participants took part in a group exercise in which they had to dissect and discuss an IPI’s response to an investor inquiry. The fictitious prospective investor was Juicy Juice, a multinational soft drinks and consumer products company that is looking to build a new manufacturing plant with some research and development capability. The participants analyzed every aspect of the IPI response, systematically naming its strengths and weaknesses and examining if the response was missing any important information. This proved to be very useful as many participants recognized a lot of the mistakes members of their IPI frequently make when responding to investor inquiries.
Session 17

**Topic:** Overnight Reading: Electronics Company Inquiry

The facilitators for this session were Mr. Robert Whyte and Ms. Marta Buska. The participants were broken up into several small groups and asked to deliver a sales pitch to a fictitious prospective investor. The small groups were assigned one of three countries to emulate while making their pitch: Malaysia, Thailand, or Vietnam.

The participants were asked to evaluate their country’s strongest attributes and then develop a short (3 minute) presentation to pitch to the busy investor. One member of each group presented while the rest of the participants looked on. After each group presented they were critiqued by their peers to see which areas they excelled in and which areas they struggled in.

The discussion during this session was quite lively. Participants were excited about having the opportunity to work with each other in a group format as it allowed them to really learn how their peers approach investment facilitation. The feedback each group received was extremely helpful and participants noted on the many useful tips they learned during the session.

Session 18

**Topic:** Invest Hong Kong: Organizing the IPI Services around Investor Needs

Mr. Charles S. K. Ng, Associate Director-General of Invest Hong Kong, was the featured guest speaker for this session. He began by giving the participants a general overview of Invest Hong Kong, the government department responsible attracting foreign investment, and then went into detail about Invest Hong Kong’s inquiry handling procedure, which has been named a best practice.

Invest Hong Kong is very systematic in their approach to responding to investor inquiries. When receiving an inquiry, whether via email, over the phone, or in person, the responsible officer will first check to see if information about the company exists on the Invest Hong Kong database and do preliminary research on the company. Within 24 hours the officer will send the investor an initial response with basic off-the-shelf information while copying their relevant overseas colleague (someone posted in the same country as the investor). In their response, the officer emphasizes the confidentiality of their exchange so as to put the investor at ease in the case that they are trying to keep their business plans secret.

When the officer follows up with the investor they offer to call or have a face-to-face meeting in the investor’s home country. They will also offer to send tailor-made information to the investor and check to see if the information is relevant. If the company expresses an interest in investing in Hong Kong, the officer will encourage them to come for a site visit. When they come or if they decide to invest, the officer (as well as the rest of Invest Hong Kong) will provide their full support to ensure that all of the investor’s needs are met.

Besides being systematic, another reason why Invest Hong Kong has been so successful is their commitment to monitoring their own performance. They regularly ask for feedback from investors and they track how successful they have been at attracting investment. Moreover, the directorate performs random spot checks to ensure the quality of its officers. Those who
perform poorly are promptly released, and those who excel are publicly commended for their good work.

Session 19

*Topic: Developing a Systematic Approach to Handling Inquiries*

The speaker for this session was Ms. Celia Ortega. She explained what IPIs need to do to ensure they do a good job handling investor inquiries. The process of handling an investor inquiry consists of five components: reception, screening, processing, response, and follow up.

Reception is making sure that all inquiries make it to the IPI. The IPI website should clearly display all relevant contact information, and the information should be listed from the investor’s point of view, i.e., phone numbers should include the appropriate country code, contact information should be organized by topic or sector, etc. Moreover, the IPI should have an effective telephone system. All investment officers should have voicemail and they should check it frequently. Lastly, all officers should have working emails, and if for some reason they are away they should make use of automatic replies.

Inquiry screening should be done promptly, fairly, and following established qualification criteria. A useful way to be effective at screening is to develop a ‘scorecard’ that ranks investor inquiries according to sector priority level, investment value, number of jobs created, and so forth. Once an enquiry has been scored, an officer can be assigned to handle it, with higher level officers taking the most important inquiries and lower level staff taking the less important ones.

Processing relates to the resources allocated to handling a particular inquiry. If it is just a general inquiry about the country’s investment climate, FDI procedures, and so on, a junior officer can simply reply with prepared information. However, if it is an inquiry relating to a specific sector, particularly a priority sector, an experienced officer or sector specialist should be assigned to call the investor to find out more information and prepare a detailed reply.

Inquiry response is the point where the IPI actually communicates back to the investor. It is essential that all responses, regardless of their level of importance, be consistent and accurate with all of the information provided. A key to having good inquiry responses is remembering that the IPI is trying to sell their country to the investor. The officer should keep that in mind and attempt to add some sort of promotional value to the information they send to investors.

The last step is following up with the investor as the IPI attempts to convert an inquiry into a legitimate lead. The follow up lasts as long as the investor is interested and ranges from sending a simple follow up email asking if they received the information they requested and if they need anything else to assisting the investor with arranging a site visit.