Sales channels for various industries and how to get started









Workshop "Entering the Swiss market" organised by Spirit Slovenia and the Chamber of Commerce Switzerland – Central Europe

13.09.2022



Agenda

- 1. How to get started & selling to different industries
- 2. Where to start selling in Switzerland?
- 3. Identifying appropriate sales channels
- 4. Finding potential customers
- 5. How to get noticed & feedback in sales
- 6. Working with an agent?
- 7. Who can help?
- 8. Useful links



1. How to get started & selling to different industries (1)

General remark

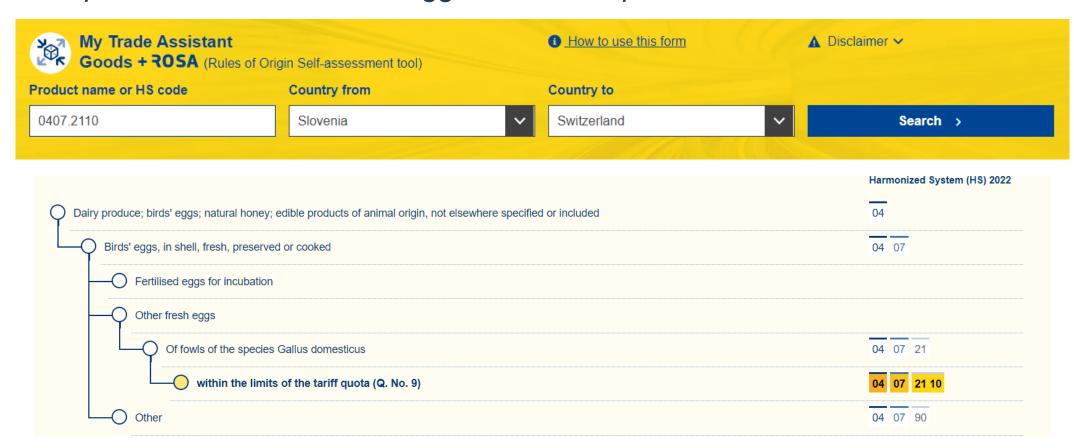
As Switzerland is a non-EU country:

7 For goods:

- Do a check-up of possible tariff and non-tariff trade barriers for your product: could affect your price-setting (check My Trade Assistant on the Access2Markets site)
- Before exporting check with your transport partner or customs agency if an EORI (Economic Operator Registration and Identification) number is needed. In order to do a Customs clearance within the European Union, it is normally mandatory.

1. How to get started & selling to different industries (2)

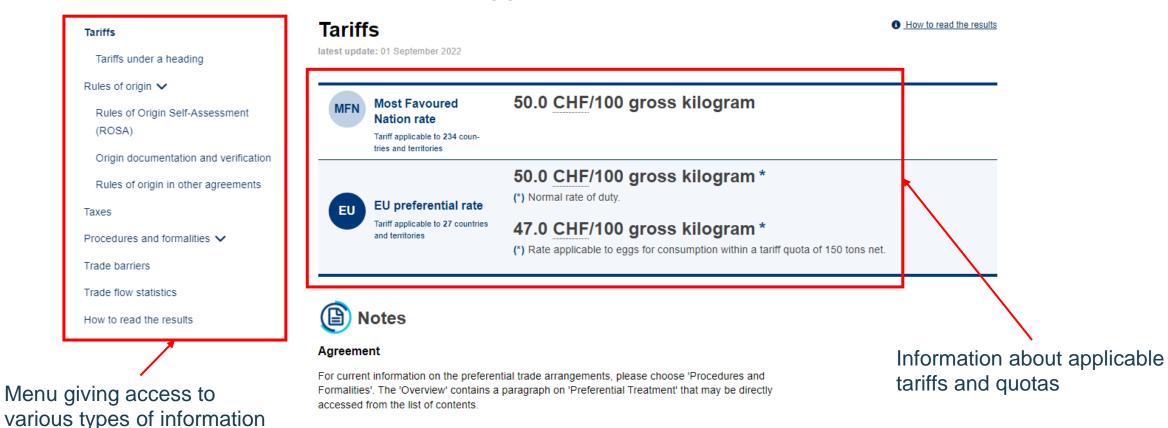
Example: HS code 0407 2110 eggs for consumption





1. How to get started & selling to different industries (3)

Example: HS code 0407 2110 eggs for consumption



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1. How to get started & selling to different industries (4)

General remark

As Switzerland is a non-EU country:

- ✓ When providing <u>services</u>: no customs declaration at the border, so in most cases a fiscal representative must be appointed for VAT purposes. Quarterly declare to the Swiss tax administration the turnover realised in Switzerland.
- → When realising a <u>project</u> in Switzerland by sending workers, specific rules apply.



1. How to get started & selling to different industries (5)

More sector-specific

▼ Take into account that the differences in terms of regulations, openness, potential, etc. between the various industries can be quite large!

Pharma

- Some drugs need to be approved by Swissmedic;
- Medical devices: need to appoint a representative on the Swiss market.
- Quite closed sector: difficult to approach
- Agricultural sector:
 - Quotas on some products (protectionism)
 - Organic labels are increasingly in demand
- Banking: difficult to approach









1. How to get started & selling to different industries (6)

More sector-specific

Theck if there is really a potential: does a sector or a subsector have clear needs? (e.g. Swiss IT sector). Identify and try to respond to that in your oral and written communication when you approach them.

How to find out? Via sector studies, annual reports, press articles.



2. Where to start selling in Switzerland?

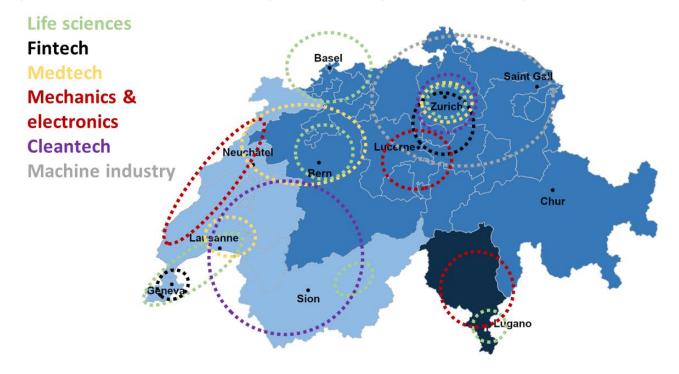




2. Where to start selling in Switzerland? (1)

Where is the geographical potential for my products and services?

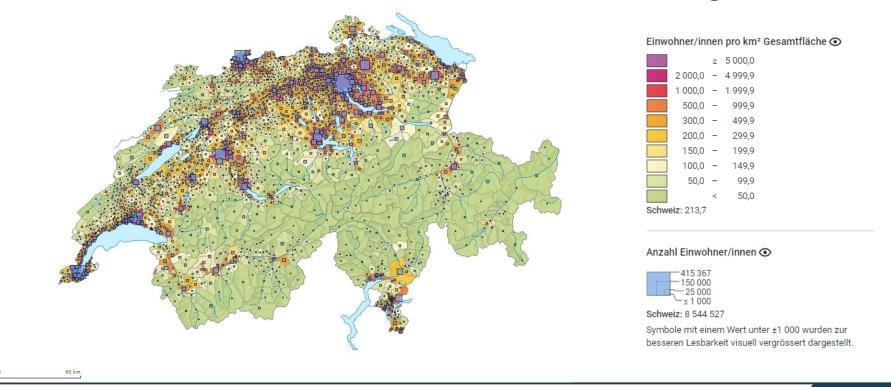
For some companies, the biggest potential is where **clusters** are concentrated, like life sciences, fintech, medtech, machine industry, etc.





2. Where to start selling in Switzerland? (2)

For other companies, the biggest potential is often in the most **densely populated** areas. Out of a total of 26 cantons, 63% of the Swiss population lives in 7 cantons, on the so-called "Plateau", the diagonal line on the map.





3. Identifying appropriate sales channels (1)

- → Depending on the sector, various channels are possible:
 - Importers
 - Distributors
 - Working with an agent?







- → How to find the right channels?
 - Participate in sector-related events:
 - Specialised trade fairs
 - Networking events
 - Contact trade promotion organisations (like Spirit Slovenia, Embassy, Chambers of Commerce) or business development companies



3. Identifying appropriate sales channels (2)

- → Define the right sales profile
 - Use some criteria that will allow you to do a precise selection afterwards, such as company size, number of employees, geographic and linguistic coverage, ...
 - Base yourself on a successful sales profile (by using the 3 C's factors) already operational elsewhere
 - Remark: take into account that sales representatives in Switzerland are quite often only focused on the language area (German, French) where they are located. Solution: appoint a separate sales rep for both regions or find a representative in a bilingual area (Bern, Fribourg, Valais)

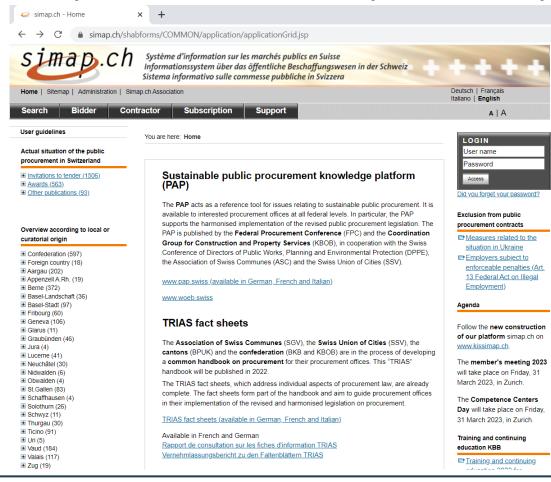


4. Finding potential customers (1)

- → Online sales platforms
- ✓ Via trade promotion organisations or Chambers of Commerce or specialised business development companies
- **7** Fairs
- → B2B matchmaking events, e.g. during trade missions
- → Through public procurement: 3 levels:
 - federal (whole of Switzerland);
 - cantonal (26 cantons);
 - municipal (2148 municipalities).

4. Finding potential customers (2)

Simap.ch = the electronic platform on public procurement



Applicable for:

- Construction projects > 300 k EUR
- Products and/or services > 150 k EUR

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4. Finding potential customers (3)

- → Double advantage on following up on public procurement:
 - to get a clear idea on the precise needs by Swiss public authorities on specific products, services and combinations of both;
 - to participate in a public tender.
- → Tendering procedures:
 - open procedure: public call for tenders is launched and any tenderer may submit a tender; at least 3 bidders (time limit: 40 days);
 - 2. selective procedure: interested tenderers submit a request to take part.

 Only those tenderers selected (at least 3) by the awarding body may then submit a tender (time limit: 25 days to submit application + 40 days to submit tender).
- → In which sectors?
 - some sectors are more present than other, e.g. health, construction, engineering, energy, ...



5. How to get noticed & feedback in sales (1)

→ The Swiss market is a very mature one, so be prepared!



You get only 1 chance to give a first good impression!

- ➤ Lower the threshold for your Swiss prospect, in order to get better noticed. Some tips:
 - translate the documentation (website, e-flyer) in German and/or French: bigger chance that the Swiss prospect will read it in his own mother tongue;
 - focus on the segment or products/services range you wish to focus on for Switzerland;
 - try to identify your prospect's needs and address them;
 - add some relevant references in the sector of the prospect.



5. How to get noticed & feedback in sales (2)

✓ If you are an SME, you have a big advantage because you can talk from equal to equal. In CH 99.7% of all companies are SMEs and count for 2/3 of all the jobs. It helps to build trust and set up a long-term partnership.



▼ Take into account the cultural differences, influenced by the 3 main languages: German, French and Italian, reflected in fields like gastronomy, fashion, decoration and literature.





5. How to get noticed & feedback in sales (3)

- → Determine in advance at which level you want to approach a potential client, starting from bottom up (a) or bottom down (b)?
 - a: rather suited for bigger companies (people at C-level are difficult to reach);
 - b: rather suited for SMEs (management is easier to approach).
- → When no specific name, you better call the company and ask who is in charge:
 - ask to be put through to this person:
 - if he's available, introduce yourself briefly and gauge his interest and needs. When he shows a first sign of interest, suggest to send him some documentation and discuss the follow-up;
 - if not possible, ask for his personal email address (info@ adresses rarely yield anything!) and request a feedback.



6. Working with an agent?

- An agent is not required to do business in Switzerland
- - direct access to potential clients
 - familiar with the Swiss business culture
 - if needed, after-sales services
- Z Less tendency in Switzerland to work with an agent, as there are fewer agents in the market (due to too small margins).
- It is therefore recommended to work either via an importer or directly through a distributor (either 1 for the whole of Switzerland, or 2 for the German and French speaking regions).



7. Who can help



- 1. Public organisations, like trade promotion organisations (Spirit Slovenia), the Embassy, Chambers of Commerce (like SEC Chamber)
- 2. Private companies, specialised in business development

1 and 2 often have complementary roles: 1 are more focusing on the organisation of business related events (trade missions, seminars, networking events, etc.), whereas 2 are more oriented towards market entry questions.



8. Useful links

Name	Theme	Link
My Trade Assistant on the Access2Markets	Information about tarifary and non tarifary measures applying to third (non-EU) countries	https://trade.ec.europa.eu/access-to- markets/
Swiss Federal Tax Administration	Fiscal and VAT related questions	https://www.estv.admin.ch/estv/en/home.html
Entsendung	Posting Workers Platform	https://entsendung.admin.ch/
Swiss Commercial Agents Association	Swiss Agents Federation	https://www.vka.ch/?lang=en
Netcomm Suisse	E-commerce Association	https://www.netcommsuisse.ch/
Swissmedic	Swiss Agency for Therapeutic Products	https://www.swissmedic.ch/swissmedic/ en/home.html
Bio Suisse	Federation for Organic Food Products	https://www.bio-suisse.ch/en.html
SIMAP	Electronic Platform on Public Procurement	https://www.simap.ch/



Questions & Answers



Thank you for your attention and see you in Switzerland!



R PRODIGO

Zurich Office

Michel Patteet Managing-partner

+41 (0)44 552 02 70

www.prodigo.ch info@prodigo.ch

