

Jersey Enterprise

Review and Evaluation

2008-2011

Final Report

November 2011

Breeze Strategy

www.breeze-strategy.com

Contents

Executive Summary	- 2 -
1. Introduction	- 5 -
2. Jersey Enterprise Performance in Numbers.....	- 6 -
3. Investor Targeting	- 9 -
4. Enquiry Handling.....	- 15 -
5. Investor Development	- 17 -
6. Comparative Resources	- 19 -
7. Looking Forward	- 20 -
8. Recommendations	- 24 -

Executive Summary

- Breeze Strategy is a well-respected inward investment consultancy that has advised more than 50 agencies around the world. Jersey Enterprise has commissioned this review to gain an external perspective on the team's activities, to benchmark against the best and to recommend improvements.

- Based on our research, statistics and consultations, together with our experience of working with many of the world's best inward investment agencies, we have summarised the performance of the Jersey Enterprise investment team with the following scorecard:

Jersey Enterprise Inward Investment Scorecard

Inward Investment Activity	Jersey Enterprise Rating	Areas for Improvement	Best Practice Agencies
Investor Attraction	B+	Leverage Ambassadors Target London Intermediaries Social Media Campaigns	MIDAS (Manchester) Scottish Development Int EDB Singapore
Enquiry Handling	A	None needed	Locate in Kent Invest Sweden Copenhagen Capacity
Investor Development	C	Facilitate Introductions New Investor Forum Regular Feedback Loop	Creative Sheffield IDA Ireland Barnsley Development
Overall	B+		

(Ratings: A=World-Class; B=Very Good; C=OK; D=Poor; E=Failing)

- Since 2008, the investment team has seen a year on year increase in both new enquiries and total enquiries handled. In 2010 the team serviced 118 enquiries making a total of 262 enquiries for the period 2008-2010. These enquiries have led to 87 new companies being established on the island during the same period, creating a total of 900 job opportunities.

- Diversification is an important objective for the island and of the 900 jobs attracted during the last three years, two-thirds have been in non-financial sectors of the economy.

- The external promotion and investor targeting activities of Jersey Enterprise have been overhauled in the last three years with the development of new collateral to promote the island's inward investment proposition. The quality of this new collateral, including website, brochure, video and advertorials, is extremely high and delivers coherent and powerful messages.

- The island now has a marketing toolkit to be proud of; the challenge is to ensure it is used more widely by local partners and key intermediaries. There is work to be done in leveraging more support from local professionals, who are both a valuable source of future leads and a potential route to new target markets.

- One area of improvement in terms of marketing and communications is social media. Given the scarcity of resources within the team, a focus on pushing out the proposition through LinkedIn, Twitter and YouTube offers huge potential. Any available marketing resources in the future should be focussed on establishing a social media campaign and embedding it as part of the team's on-going communications.

- The enquiry handling processes at Jersey Enterprise appear to be robust and effective, with a very high degree of customer satisfaction. The team are considered to be professional, proactive and personal, offering a valuable service to new investors. Consultations with recent inward investors to Jersey have revealed an exceptionally high level of support for Jersey Enterprise throughout the process of establishing a business on the island. The only area singled out for potential improvement was aftercare, with some consultees feeling that more could be done to integrate new companies into island life.

- The team works very well in partnership with other island agencies and groups such as Jersey Finance, JFSC, Jersey Gambling Commission and major companies like Jersey Telecom. However, there needs to be a clearer understanding of how these partners can best work in collaboration in terms of new overseas marketing and investor attraction.

- Jersey Enterprise's investment team is at the forefront of the island's diversification policy, playing a crucial role in targeting new investors from a wide range of non-financial sectors. There have been successes from fulfilment; retail; oil and gas; and mining sectors. Current focus on e-gaming opportunities is another interesting target, which should prove lucrative for Jersey.

- There are wider high-tech opportunities which should be pursued beyond e-commerce and e-gaming. The developments around JT Lab and Gigabite Island will give Jersey a new and potent selling point which has the potential to attract huge interest from high-tech

investors on the back of 'the world's fastest ubiquitous network' and the potential to use the island as a test-bed for R&D.

- On any comparative assessment of resources, the Jersey Enterprise team fares very well against international benchmarks handling far more inward investment enquiries per person than the best practice agencies around the world.

- Given the impending changes to the structure of Jersey Enterprise in relation to on-island business support, it is vital that the work of the inward investment team is continued with consideration given to a new name such as 'Locate in Jersey' or 'Invest in Jersey' to better reflect the nature of the service.

- In conclusion, Breeze Strategy believes that taking resource levels into consideration, Jersey Enterprise's investment team has made excellent progress, provides outstanding service levels and generates significant added-value for the Jersey economy.

1. Introduction

In August 2011, Breeze Strategy was commissioned by Jersey Enterprise to undertake a review of the recent performance and activities of the island's inward investment team. The review included both quantitative and qualitative aspects, looking at measurable outputs and outcomes, but also with a focus on the experiences of recent investors.

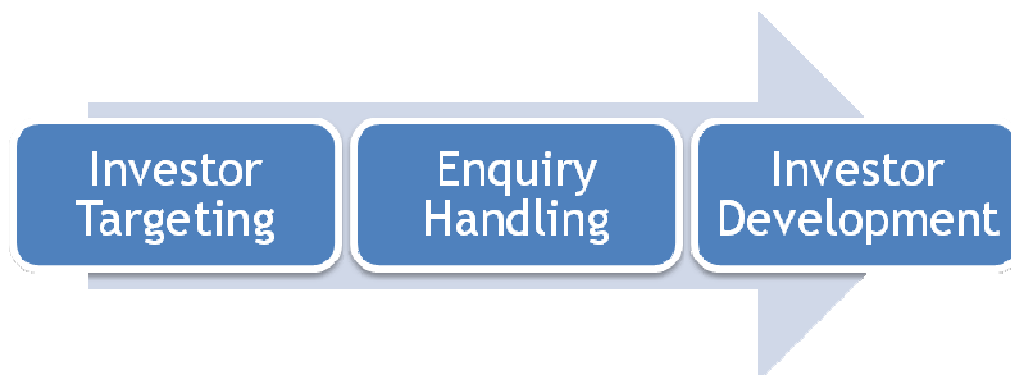
Based on our direct experiences of working with more than 50 inward investment agencies around the world, we have assessed Jersey Enterprise's activities with the eye of a 'critical friend' and have sought to highlight what has worked; what hasn't; and make suggestions as to what might be done better in the future.

In undertaking this review, we have conducted:

- face-to-face meetings in Jersey with the client
- face-to-face meetings in Jersey with key partners
- telephone interviews with partners
- email/telephone interviews with recent investors
- desk research looking at primary and secondary sources

We are thankful to all those partners and investors who have taken the time to feed their thoughts into this review.

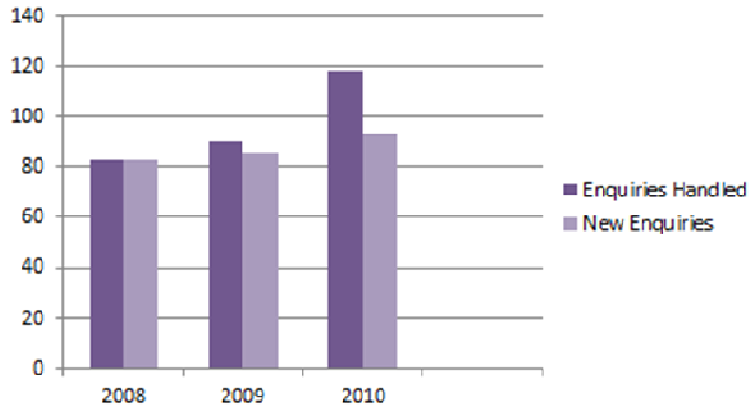
For clarity, we have broken the inward investment process down into three areas as below:



The review will assess each of these areas in turn, but first we will look at the numbers.

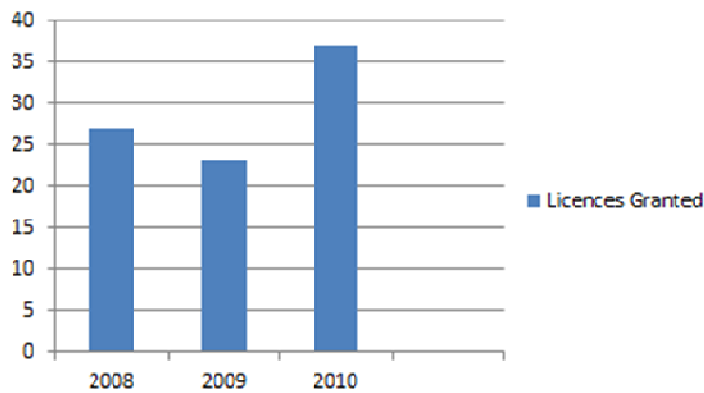
2. Jersey Enterprise Performance in Numbers

Inward Investment Enquiries



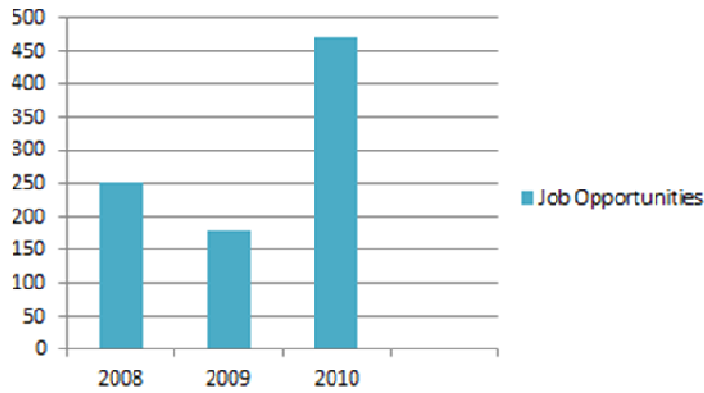
The number of enquiries handled by the team has increased from 83 in 2008 to 90 in 2009 and 118 in 2010. Of these the vast majority were new enquiries received in that year.

New Companies



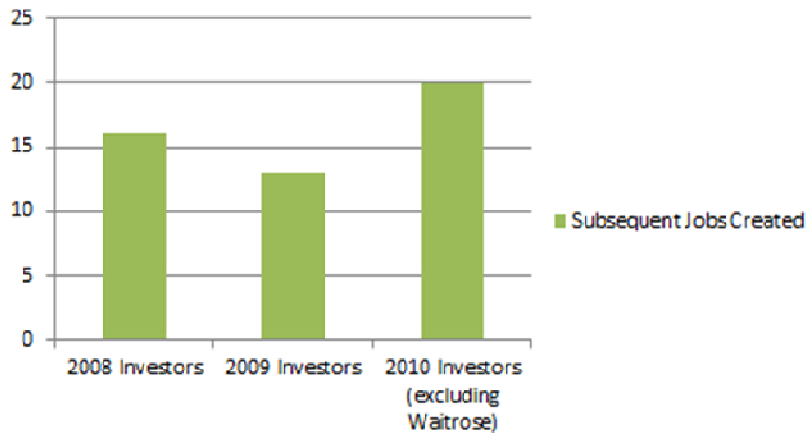
The number of licences granted to has risen from 27 in 2008, and 23 in 2009 to 37 in 2010.

New Jobs



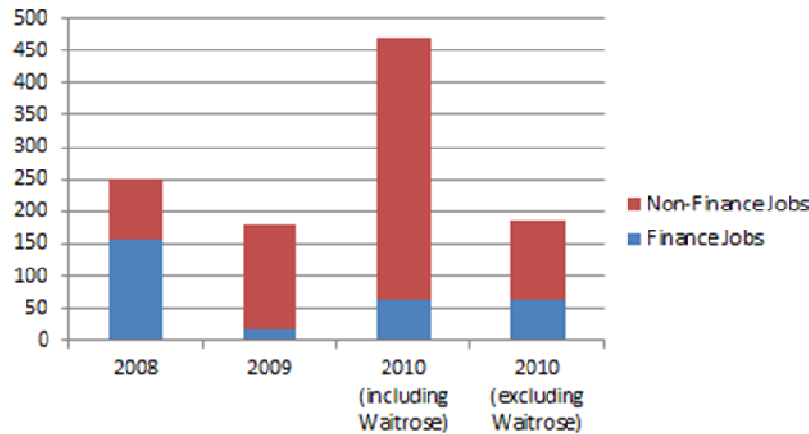
The number of job opportunities created by new inward investment was 251 in 2008, 179 in 2009 and 470 in 2010 (of which 283 were Waitrose).

Jobs Growth



Further jobs growth by new investors shows that 49 additional jobs were created by companies investing in Jersey in the last three years.

Diversification



There has been a significant shift in the type of jobs being created by new investors, with a shift from 37% non-financial services in 2008 to 66% in 2010 (even excluding the Waitrose project). This can be attributed to two factors, both the decline in financial investments following the global crash, together with a particular focus by Jersey Enterprise to attract more diverse sectors.

Summary of Results

To put these results into context, it must be remembered that the last two years following the financial crisis of late 2008 and the subsequent global recession of 2009-10 has naturally had a huge impact on inward investment flows with almost every location seeing a dramatic fall in enquiries and successes. This is only showing signs of improvement in 2011. Given Jersey's strength as a global banking centre and its reliance on financial services, it would be entirely understandable if inward investment flows collapsed. That Jersey has withstood this challenge is highly commendable; that it has actually seen enquiry levels increase year on year is a significant success for both the team and the island as a whole.

It should be noted that throughout the last three years, although the level of enquiries handled has increased, there has been no additional resources in terms of staff numbers managing the workload at Jersey Enterprise - ie ostensibly a team of just two people.

3. Investor Targeting

The need to build a strong pipeline of enquiries from a range of sectors and markets is at the heart of all inward investment teams. The nature of the task though demands a huge amount of careful prioritisation and planning, given that there will be ‘potential investors’ in every corner of the world. There has to be a balance between pursuing the richest source of enquiries - in Jersey’s case, the UK - while ensuring that new and emerging opportunities are pursued too - such as China, India et al.

The promotion of Jersey as a place to locate a business has been overhauled in the last two years, with a more professional, focussed and well-articulated inward investment proposition. Up until 2009, Jersey Enterprise had adopted a ‘kitchen sink’ policy of listing dozens of reasons why a business should consider locating. This resulted in an ‘Invest in Anywhere’ approach which failed to distinguish the island or promote its key selling messages in any coherent manner. As a result, for non-financial projects, Jersey was simply not on the radar of most inward investment advisors or their clients.

The implementation of the recommendations of the Jersey Proposition work commissioned in 2009 has helped to transform the place marketing of the island. By distilling the key messages down to a few great selling points and changing the way that Jersey Enterprise expressed itself in both words and imagery, the team has led a noticeable transformation. The Jersey Proposition has created consistent messages across a range of marketing collateral including the website, brochure, video, advertising and editorials. This transformation has been noted by its partners and other observers.

This new approach to marketing the island’s proposition enables the investment team to re-use and adapt content for a variety of audiences and, crucially, has led to more collaboration with public and private partners. A great example of this was the sharing of the elements of the Jersey video with Jersey Telecom, who have adapted the content for their use in promoting the telecoms and broadband advantages of the island.

The use of personal case studies adds credibility to the marketing and helps to build further links with new arrivals on the island. Through these individual stories, Jersey’s unique strengths can be demonstrated and the clear benefits of locating on the island are showcased.

Trade Shows and Events

Trade shows can be a useful investor attraction tool, but they can also be a major drain on resources, requiring much planning and logistics. Jersey Enterprise has taken a careful and considered approach to attending overseas events, balancing the potential benefits and costs involved.

The team attends around 10 events each year both on and off island in support of local businesses. In 2009, 26 Jersey businesses were assisted in this way; and in 2010 the number was 30. While there is a value to local businesses of this support, there must be a careful assessment of whether an event adds any value to the key requirement of attracting new businesses to the island. Simply 'flying the flag' at overseas events is unlikely to deliver any tangible results and can be an expensive way of keeping partners happy. Events relating to the promotion of the island's credentials at food or outdoor leisure events should not be a priority for the team given current resource levels.

Two recent examples of overseas events that have proved to work very well in terms of Jersey Enterprise's attendance are:

Israel Mission (May 2011)

In May 2011, an official delegation of 30 Jersey politicians and business leaders visited Israel thanks to a partnership forged by Jersey Enterprise with UK Israel Business (a new entity formed by a combination of the British-Israel Chamber of Commerce and the Israel Britain Business Council). The delegation focused on developing and diversifying Jersey business in three key areas: financial services; clean technology (renewable energy, environmental transport) and e-gaming. The visit included meetings with a number of key financial services and clean technology businesses, and roundtable meetings were held with e-gaming entrepreneurs. Israeli-linked companies form some of the largest, most innovative and profitable e-gaming businesses in the world and the meetings that were brokered have laid an important foundation in the burgeoning relationship between Israel and Jersey. The visit by was covered in the media, including the BBC News and the Wall Street Journal.

EiG, Milan (September 2011)

As part of the diversification agenda, Jersey Enterprise attended the 2011 European iGaming Congress (EiG) in Milan. EiG is the largest dedicated e-gaming event in the world and attracts senior decision-makers from around the world. Jersey Enterprise was an important part of the 'Team Jersey' delegation which included players from the island's e-commerce industry. Jersey Enterprise was a sponsor of the event which secured important profile and a speaking platform. Competitor locations active at EiG included the Isle of Man

and Alderney. The event was widely regarded as an important step in reaching the right people in this niche sector providing a number of useful leads.

Advertising

There are very few examples where advertising has played any significant role in improving inward investment performance and the vast majority of the world's best agencies do not use it as a tool. Jersey Enterprise has been wise to avoid costly advertising campaigns and has only used occasional advertorials in highly targeted markets based on the case studies which support the proposition.

Video

The 'Jersey - Open for Business' video has proved to be a great success and it has been used on the homepage and at key events, as well as by partners such as Jersey Telecom. It has been seen by thousands of corporate decision-makers thanks to its use on British Airways flights for more than a year, achieving significant reach from a relatively modest initial expense. There is perhaps scope for wider dissemination through social media.

Ambassadors

Some good initial work has been undertaken to create a Jersey Ambassadors network, consisting of people on the island who can play a major role in promoting its business benefits to a global audience. More should be done in terms of identifying specific opportunities for Jersey Ambassadors to raise the profile of the island at specific overseas events and conferences. This is an activity which requires a fair degree of time and effort, and given existing resource levels it will be difficult to undertake a full programme. However, if integrated into a wider social media campaign, Ambassadors can be fed regular snippets and messages to encourage greater leverage.

Partnerships

Jersey Enterprise has forged strategic partnerships with a number of important groups in target markets such as the Indian Angels Network; French Chamber of Commerce in Great Britain; and UK Israel Business. In addition, JE has worked to develop the Jersey Ambassador Network and Jersey Business Angels Network (JBAN). Launched by Jersey Enterprise in November 2009, JBAN helps to introduce local start-ups to potential angel investors, its first success came in 2010 when local Dot TV Media secured £150,000.

The relationship between Jersey Finance and Jersey Enterprise is a little unclear from the outsider's perspective and could do with more transparency and clarity. There appears to be huge opportunities for greater collaboration, particularly with regard to new opportunities where Jersey Finance is active - both in terms of target markets (eg UK, Dubai, Hong Kong and India) and target sectors (eg renewable energy/green finance).

Website and Online

The Jersey Enterprise website is a critical 'front-door' to both the island as a business location and the services on offer to prospective investors. The online elements of investor attraction are more important than ever and this was a key area highlighted for improvement in the original proposition work.

The content, design and usability of the website are very good with a balance of information and strong selling messages throughout that support the Jersey Proposition. There could be more made of recent announced investments, for example the UTStarcom decision to locate research and development in Jersey, announced in June 2011 is not mentioned at all. This Chinese telecoms R&D project is exactly the kind of headline-grabbing announcement that will help to spread the Jersey message to new sectors and markets - it should be on the home-page in flashing lights!

Having the 'Open for Business' brochure available to download in English, French and Mandarin is excellent and adding additional relevant content in different languages should be considered (eg the UTStarcom story).

Getting other people to link to your website is a great way of spreading the message. Key intermediaries on the island need to know about Jersey Enterprise and should include the website on any of its publications where relevant. One example of this is law firm, Carey Olsen's publication 'Relocating to Jersey' - which includes a number of useful websites at the end but makes no mention of Jersey Enterprise at all, see:

http://www.careyolsen.com/downloads/publications/relocating_to_jersey_a_guide_for_you_and_your_business.pdf

In terms of finding the website, there is an issue over visibility given the strong jersey.com tourism site. There is certainly scope for a mention and link to Jersey Enterprise from the jersey.com homepage in the same way as the States of Jersey homepage has.

One improvement to the website could be a clearer and more personal 'Contact Us' page. Rather than an anonymous telephone number or generic email form, it would be better to have a named person or (team), with photograph and a more personal help message.

Social Media

In May 2010, Jersey Enterprise put on a Social Media Masterclass which was attended by a few hundred local businesses. Presentations by local marketing experts extolled the virtues of using online tools such as LinkedIn, Twitter, YouTube and Blogs. It is ironic that Jersey Enterprise itself has not taken better advantage of the social media opportunity.

There is a huge opportunity for Jersey Enterprise to make better use of social media, for two important reasons:

- it's a proven and increasingly important route to target audiences in inward investment
- it's cost-effective and resource-light if implemented in the right way

A September 2011 place marketing study by Development Counsellors International surveyed 322 corporate decision-makers in the United States (www.aboutdci.com/winning-strategies) showed the growing importance of social media in the way companies research new potential locations.

A brief audit of social media being used by Jersey Enterprise for inward investment purposes is shown below:

- YouTube

The Jersey Enterprise channel on YouTube is a useful source of recent videos, especially the excellent 'Open for Business' video. The use of video case studies and presentations make this a highly usable tool. It is nicely linked to the website too. The main improvement would be to promote the channel's content to new audiences through LinkedIn and Twitter.

- Twitter

There is no Jersey Enterprise Twitter feed other than outsourced elements relating to Jersey Awards. There are plenty of related feeds including Jersey Marketing, Jersey Finance and States of Jersey, but nothing specific to the investment team. A carefully managed Twitter feed can push out the Jersey Proposition to target audiences around the world, especially in the more tech-savvy sectors around e-commerce and e-gaming which are of growing interest to the island. It can also lend great support and help promote Jersey Enterprise partners' activities too.

- LinkedIn

The Jersey Enterprise Discussion Forum has more than 500 members and this could become a key tool for the investment team. There is a need to create a sub-group of this - eg 'Welcome to Jersey' - to focus on the particular needs of recent investors. It would be a

useful invite-only group to bring together key intermediaries and suppliers on the island with recent arrivals. There could be an encouragement to share common questions relating to practicalities of setting up and the first few months on island. It would also act as a way of making introductions to other recent arrivals to share experiences and boost integration into the business and social life of the island.

4. Enquiry Handling

A key role of Jersey Enterprise's investment team is to manage the process by which companies establish a presence in the island. Given the peculiarities of Jersey's regulatory framework, this role is quite different from that of other investment teams in the UK or elsewhere. Every new business that wants to locate on the island must be registered and therefore the team will inevitably have knowledge of or direct involvement with every single new investor. Inward investment peers elsewhere might expect to get involved in no more than half of the projects that come into their area.

The island's various residency and visa requirements will mean that Jersey Enterprise adopts a closer, hands-on role than would be the case with other agencies in the UK, that might simply broker a few meetings with local property agents and/or provide a property search function or advise on labour skills.

We have looked at the enquiry handling processes from initial lead through to successful project, paying particular attention to the quality of the customer journey and the role that efficient processes can play in inward investment.

In order to assess the enquiry handling performance of Jersey Enterprise, a survey was undertaken. This involved a combination of telephone interviews and emailed questionnaires that were conducted with the directors of companies that had established on the island in the last two years and who had been directly dealt with by Jersey Enterprise. Breeze Strategy chose the interviewees at random and with no steer from Jersey Enterprise.

The headline results and conclusions from this are summarised below:

- Without exception, every person that was interviewed or who completed the questionnaire rated their experience of Jersey Enterprise as being 'excellent' or 'very good'.
- Jersey Enterprise's investment team was consistently rated as being very professional, extremely knowledgeable and offering a valuable service throughout the process of establishing a company on the island.
- Most people found Jersey Enterprise through its website or were referred by local intermediaries or advisers.

- In almost all cases, there had been issues or complications relating to the process, but none of these were the fault of Jersey Enterprise, who had played a role in solving them.

- When pressed, some of the interviewees suggested that aftercare was one area that could be improved, in terms of introductions to intermediaries and facilitating a smoother integration into island life, business and social.

- Every single respondent was emphatic in their willingness to recommend the services of Jersey Enterprise.

- In terms of the wider views of Jersey as a business location, the most often cited positives were 'ease of doing business'; 'expert service providers'; and 'proximity to London'. Negatives were consistently cited as being accommodation problems (in terms of process, choice and quality); unclear regulations (eg JFSC) and available skills.

- Several people commented that Jersey needed to be more proactive and confident in its promotion and marketing, as it was felt that the island came across as being too cautious and almost apologetic about its locational advantages.

In summary, the enquiry handling processes at Jersey Enterprise appear to be robust and effective, with a very high degree of customer satisfaction. The team are considered to be professional, proactive and personal, offering a valuable service to new investors.

5. Investor Development

Often referred to as ‘aftercare’, investor development is the poor relation of the inward investment process, but there is increasing realisation that successfully embedding investors into the local economy is not only good customer service but it is an essential driver in that firm’s success and growth.

The seniority of businesspeople involved in setting up an operation in Jersey, makes the issue of aftercare all the more important. These people are not just investors who need to be looked after to ensure growth of their particular businesses; they are also potential ambassadors for the island in their respective sectors and markets. They should be integrated into the on-going marketing of the Jersey Proposition, with case studies and quotes used to cross-promote their businesses.

Unfortunately, the scarcity of resources at Jersey Enterprise means that the pipeline of new and potential investors has taken priority over the on-going needs of recent movers. This was one of the few criticisms made of the service during consultations with recent investors. It was felt that as soon as the move on to the island was completed, some people said that they were left to fend for themselves and there could have been a smoother transition.

Particular areas singled out were: the difficulty in finding the right suppliers or recommended service providers; practical problems relating to setting up basic utility contracts; and issues around social integration into island life for spouses and families.

There has to be a transition when the careful hand-holding through the relocation process has to be eased off and investors become integrated into local economic and social life. Inward investment into Jersey is, by its very nature, a process with human factors and softer issues play a central role, so the aftercare needs of investors are likely to be very different from the norm. Also, most newcomers will be under extreme pressure having to relocate a family and establish a new office, without the support and resources that might be available to them in other (non-offshore) locations. There should be recognition of this at Jersey Enterprise and a realisation that simple issues such as getting a broadband connection at home might be difficult and time-consuming. Jersey Enterprise needs to look at potential pinch-points and wherever possible, facilitate a ‘fast-tracking’ of local processes.

Addressing the social aspects of island life is also important, but goes beyond what is feasible or practical given resource constraints of the team. However, with around 30 new

companies establishing on the island each year, perhaps Jersey Enterprise could facilitate a quarterly 'welcome reception' for new arrivals and their spouses. These might be sponsored by different local suppliers on a rotating basis and it would be an opportunity to introduce and celebrate new arrivals with invites going to key island intermediaries and, crucially, other people who have established in the last few years. This would be useful in helping share experiences and make some early connections.

6. Comparative Resources

Comparing the resources of any inward investment team is fraught with difficulties. Every location has its own particular pros and cons for inward investors and any comparative analysis comes with a major caveat. However, it is useful to look at some of the most respected agencies and look at their relative achievements and staffing resources.

The table below shows the most recent results from different exemplar inward investment teams representing a UK county; a UK city; a UK region and an international city-region. In a host of comparative studies over the last few years by the World Bank; United Nations; Financial Times; and several specialist consultancies, Copenhagen, Manchester and Kent have consistently been rated as having the world's best inward investment teams.

	Year	Successful Projects	Staff*
Jersey Enterprise	2010	37	2
Locate in Kent	2010/11	73	15**
MIDAS (Manchester)	2010/11	77	35***
East Mids Dev Agency	2010/11	42	15
Copenhagen Capacity	2010	43	28

* = Only includes all staff dedicated to inward investment.

** = In 2011, this was reduced to 10.

*** = In 2011, this was reduced to 13.

The relative performance of Jersey Enterprise, with just two full-time staff, compares extremely favourably with the best agencies in the world. Although there is a huge difference in the relative tasks and challenges of each team, the managing of 118 enquiries in 2010 with such modest resources is to be commended. It could be argued that while the typical dynamics of an inward investment into Jersey will be far more straight-forward than many of the job-intensive projects handled by other teams, the unique features and requirements of the Jersey process require each and every investor to be managed and helped. For Jersey Enterprise there are few, if any, projects that are simple box-ticking after the event.

7. Looking Forward

Jersey Enterprise Changes

The impending changes at Jersey Enterprise with regard to business support and trade services offer both a challenge and an opportunity for the inward investment team. The challenge is to ensure that the team's identity is preserved and that they do not become 'lost' in any transfer of activities to new organisations. Given the size and resources of the investment team relative to other functions at Jersey Enterprise, there is the potential worry that local partners might be confused.

From an external customer perspective there is no real issue, as most inward investors will be relatively unclear on the dynamics and reporting lines of any agency, simply viewing Wayne or Kate as their direct contact with government.

With the changes comes the opportunity to establish a clear and unequivocal identity for the service in a way that 'Jersey Enterprise' has never really done; it is far more suited to the agency's business support roles. The vast bulk of inward investment teams have adopted a more specific name (either as an agency name or simply as a promotional title), usually being either 'Invest in Somewhere' or 'Locate in Somewhere'. There are a number of alternative varieties with any combination of Advantage, Forward, First, Think, Choose etc, but the industry norm has become 'Invest' or 'Invest in'.

Invest Jersey would be a suitable name, although given the number of investment funds and financial institutions on the island, there may be scope for confusion, so 'Locate in Jersey' may be more appropriate. In terms of website urls, www.investjersey.com is available, as are www.locatejersey.com and www.locateinjersey.com (but www.investinjersey.com is not).

It should be stressed though that we are not suggesting a 'rebrand' or any changes that might cost anything. This would not be a major priority but rather something to consider at an appropriate time.

Investor Targeting - Sectors

The need for Jersey to build a broader, more diversified business base is clear. The continuing financial crisis and uncertainties in the banking sector mean that Jersey would be well-advised to seek new sources of inward investment to compliment financial services. This has been underway for the last few years with a fair degree of success with the number of non-financial job opportunities attracted to the island rising each of the last three years. Between 2009 and 2011, there were 236 financial sector job opportunities attracted, whilst during the same period there were 664 non-financial (if the Waitrose project is excluded, the figure is still greater with 381 non-financial jobs).

In 2010-11, the most important sectors after finance were: Fulfilment (12 companies) and Oil, Gas & Mining (5 companies). This is a positive result in terms of diversification but any reliance on the fulfilment sector is dangerous given uncertainties over the future of Low Value Consignment Relief.

As far as future growth sectors are concerned, Jersey Enterprise has embraced the challenge and made excellent progress in supporting the island's e-gaming ambitions. Whilst potentially lucrative, e-gaming is just one of a number of high-tech niche sectors that should be targeted.

There is feeling among some partners that Jersey seems to spend a long time thinking about the next opportunity before belatedly joining the competition in attracting the next wave of investments. Basing an investment attraction strategy on the shifting sands of various tax, legal and policy advantages is understandable but needs to be complemented by a more sustainable approach in the long-term.

Two aspects of the Jersey Proposition have the potential to attract new types of businesses to the island, they are: having the perfect demography and geography to act as an R&D test-market; and having the world's fastest ubiquitous broadband network

The first of these benefits has been a fact for decades with the island enjoying a long history of FMCG goods being test-marketed in Jersey first. Global companies including Nissan and Coca-Cola have used the island as a key part of their R&D.

The second benefit relating to broadband is the aspiration of JT Labs (Jersey Telecom) to provide a Gigabit+ optical service to 100% of Jersey households. An additional benefit is the option of companies using neighbouring Guernsey as a 'control group'. The potential to use

this project to promote Jersey to high-tech companies and entrepreneurs from Silicon Valley to Bangalore is clear.

Investor Targeting - Markets

Jersey Enterprise's investment team has been at the forefront of targeting new markets with initiatives to take the proposition to Israel and India, as well as its traditional markets of the UK and France.

In terms of tactics and practicalities of targeting different markets, having a local 'presence' is not a pre-requisite for attracting inward investment from there. This was an expensive mistake made by England's regional development agencies that were quick to open up a local office in Shanghai, Taipei or Mumbai in order to engage with potential investors in those markets. For inward investment teams with finite resources and limited staff, there is another way.

Proximity and ease of travel to London is cited by many investors as one of Jersey's most important benefits. Given this fact, Jersey Enterprise and other agencies looking to target new markets overseas should consider building a London-centric strategy.

London is the global city, a true international cross-roads with thousands upon thousands of crucially important intermediaries relating to every conceivable sector and market.

For each target market there are dozens of interesting and potentially lucrative partnerships that can be forged with London-based multipliers. For example, if Jersey was looking to make in-roads into the Chinese market, then a cost-effective alternative to an office in Shanghai or even an outward mission for a week, would be a structured programme of relationship-building with leading advisors at:

- **Chinese banks** - like China Construction Bank; Industrial & Commercial Bank of China; People's Bank of China; Bank of China; and China International Capital Corporation, all of which have established a London presence in the last few years.
- **Chinese law-firms** - such as Zhonglun W&D with a London presence, or major global firms with a Chinese team in London.
- **Chinese government** - any of the dozens of investment staff at the Chinese embassy that advise Chinese firms on a daily basis on their plans to enter UK and Europe.
- **Chinese trade bodies** - several bodies such as the China-Britain Business Council.

The same is true of any target market in the world.

For Jersey to promote itself directly to places like India and China is unlikely to have any impact, but there is a clear case for a structured programme to develop London relationships with the aim of facilitating a visit to the island or inward mission. Jersey Enterprise's contact with the Israeli and French intermediaries in London show what can be achieved in this way. Similar approaches should be taken with partners to identify London intermediaries that would be interested in the JT Lab Gigabit Island project, such as Silicon Valley Bank and specialist high-tech lawyers in London.

8. Summary Recommendations

Investor Targeting

- The existing balanced and iterative approach to marketing, advertising and events should continue.
- Ensure local intermediaries are aware of the marketing tools and encourage greater collaboration in overseas markets.
- Prioritise a London-centric intermediary targeting strategy focussed on new opportunities in both established and emerging markets.
- Consider broader sectors than e-gaming, such as more general high-tech R&D and clean tech/renewable energy.
- Collaborate closely with Jersey Telecom to promote the Gigabite Island concept and integrate this into all marketing collateral.
- Implement a clear social media strategy to support all aspects of investor targeting.
- Consider using 'Locate in Jersey' or 'Invest in Jersey' in future.

Enquiry Handling

- Continue excellent level of service and ensure that it is embedded as a culture in the team, especially important for any future staff.

Investor Development

- Create a 'Welcome to Jersey' sub-group on LinkedIn.
- Facilitate quarterly 'Welcome to Jersey' receptions for recent arrivals.