



ACTIVITY BRIEF

APRIL 3, 2017, BANDUNG, APRIL 10, 2017, JAKARTA



TPSA | CANADA-INDONESIA TRADE AND PRIVATE SECTOR ASSISTANCE PROJECT

Strengthening Indonesia's Footwear Exports Through Training SMEs on How to Export Successfully to Canada

The Canada-Indonesia Trade and Private Sector Assistance (TPSA) project organized training for footwear-producing small and medium-sized enterprises (SMEs) in Bandung and Jakarta. The goal of the workshops was to increase the knowledge and skills of Indonesian footwear producers to allow them to successfully export to Canada.

Background

Indonesian footwear was selected as a TPSA target commodity due to its strong potential for exports to the Canadian market. To help small and medium-sized Indonesian footwear producers successfully access the Canadian market, TPSA offers a number of capacity-building activities.

An assessment by TPSA experts in the Canadian footwear industry identified areas where Indonesian footwear SMEs likely need assistance: marketing, building a successful product line, and production techniques tailored to the export market. In addition, SMEs in the footwear industry would be helped by training in negotiating skills, English-language skills, Canadian business practices, and creating and maintaining appropriate company websites.

As a result of this assessment, it was deemed important to offer training targeted to footwear SMEs to increase their capacity in the above areas and help ensure their export success. The training is also important background for any SMEs that plan to attend TPSA-sponsored trade fairs and business-to-business matching events with potential Canadian buyers.



Phil Zwibel conducts the workshop in Jakarta.

TPSA has determined that Indonesian footwear production is clustered in two regions: Jakarta and Bandung. Firms from these regions were selected to participate in the training based on their interest in working with TPSA and the suitability of their product based on an assessment by the TPSA footwear expert.

The workshop objective was to improve the knowledge and skills of footwear-producing SMEs to increase their ability to export successfully to Canada.

Canada

Program undertaken with the financial support of the Government of Canada provided through Global Affairs Canada

IN PARTNERSHIP WITH



MINISTRY OF TRADE



Workshop Overview

The training of representatives from footwear-producing SMEs in how to successfully export to Canada was conducted in Bandung on April 3, 2017, and in Jakarta on April 10, 2017. The training session in Bandung was attended by 36 participants (28 men, 8 women), while the training session in Jakarta was attended by 66 participants (42 men, 24 women). Also in attendance were officials from the Indonesian Ministry of Trade and the Indonesian Footwear Association (APRISINDO).

The workshops were led by Phil Zwibel, a footwear expert from TFO Canada. TFO Canada is a non-governmental, non-profit organization based in Ottawa whose mandate is to promote sustainable economic development through export information, advice, and contact. TFO Canada facilitates access to the Canadian marketplace and shares Canadian trade expertise for the benefit of SMEs wanting to export to Canada.

"I have been wanting to export my vegan shoes to North America. I have a good chance in the Canadian market because tourists from North America buy my shoes when they visit Indonesia and they all love them and tell their friends about the product. I've gathered information about exporting to the North American market from the Internet, but this training provided additional knowledge and boosted my confidence about successfully exporting my product to Canada."

—ELLY SUSILAWATI
Owner, Ethree Abadi, Jakarta

Mr. Zwibel has more than 40 years of experience in the Canadian footwear industry and was a vice-president and general manager at Bata Shoes Canada, responsible for producing 1.2 million pairs of shoes in Canada and importing 3.5 million pairs each year.

The workshop covered four main topics:

- Best practices in marketing shoes
- How to build a product line



Participants in Bandung.

- Why export? Why export to Canada?
- Modern shoemaking production processes

On the first topic, Mr. Zwibel gave an overview of the key strategies to marketing footwear. He stressed the underlying fundamentals of identifying customer needs and wants and then working to satisfy those needs and wants. He discussed product quality, the factors determining the right price to charge for your shoes, and how to advertise.

The workshop then moved on to discuss the basic elements of building a successful product line, with an emphasis on carefully defining the target market segment and reinforcing success with certain products, while abandoning—but learning from—product failures. This part of the training was supported with actual examples of product lines from successful shoe manufacturers from around the world.

Mr. Zwibel then described the Canadian market in terms of the changing distribution channels, market size and growth by market segment, and domestic production versus imports—all to help Indonesian SME shoe producers choose the appropriate market niche. He described what Canadian buyers are looking for in a supplier: Someone who answers e-mails the same or next day, who always checks back with the buyer on the quality of the last shipment, and who never is afraid to ask questions of the buyer.

The final topic focused on current best practices for shoe manufacturing to help Indonesian SMEs produce a shoe that is high-quality, cost-effective,



Phil Zwibel offers feedback on a participant's footwear collection.

and environmentally friendly. Mr. Zwibel showed a video highlighting best practices.

Following the workshop, Mr. Zwibel offered one-on-one feedback for participants that brought examples of their footwear collection.

Participant Feedback

In Bandung, 94 per cent of participants reported that their skills and knowledge improved because of the workshop. Seventy-eight per cent said that their new level of confidence in applying the knowledge was "excellent" or "very good," another 19 per cent said "good," and only one participant (3 per cent) said "fair."

Seventy-seven per cent said they would use the knowledge from the training either "very frequently" or "frequently" in their work, while 17 per cent said "occasionally" and 6 per cent said "rarely."

The participants in Bandung reported good overall satisfaction with the training. Twenty-two per cent gave a satisfaction rating of "excellent"; 53 per cent, "very good"; and 25 per cent, "good."

In Jakarta, all participants who responded to the question (60 out of 66) reported that their skills and knowledge improved as a result of taking part in the workshop on exporting to Canada. Seventy-six per cent said that their new level of confidence in applying the knowledge was "very good," with 19 per cent saying "good" and 5 per cent saying "fair."

Eighty-seven per cent said they would use the knowledge from the training either "very frequently" or "frequently" in their work, while 13 per cent said "occasionally."

The participants reported good overall satisfaction with the training. Thirty-two per cent gave a satisfaction rating of "excellent"; 47 per cent said "very good"; 17 per cent said "good"; and 4 per cent said "fair."

Conclusion

The training participants own or work for SMEs in the footwear industry and have an interest in exporting to Canada. The training helped them to increase their marketing skills, understand the Canadian market and the needs of Canadian buyers, and improve their production methods. The training used successful footwear exporters as examples to improve the skills of the trainees. The trainees are confident that the workshop would help them to more successfully export their shoes to Canada.

About the TPSA Project

TPSA is a five-year C\$12-million project funded by the Government of Canada through Global Affairs Canada. The project is executed by The Conference Board of Canada, and the primary implementation partner is the Directorate General for National Export Development, Ministry of Trade.

TPSA is designed to provide training, research, and technical assistance to Indonesian government agencies, the private sector—particularly small and medium-sized enterprises (SMEs)—academics, and civil society organizations on trade-related information, trade policy analysis, regulatory reforms, and trade and investment promotion by Canadian, Indonesian, and other experts from public and private organizations.

The overall objective of TPSA is to support higher sustainable economic growth and reduce poverty in Indonesia through increased trade and trade-enabling investment between Indonesia and Canada. TPSA is intended to increase sustainable and gender-responsive trade and investment opportunities, particularly for Indonesian SMEs, and to increase the use of trade and investment



Participants celebrate a successful workshop in Bandung.



Participants celebrate a successful workshop in Jakarta.

analysis by Indonesian stakeholders for expanded trade and investment partnerships between Indonesia and Canada.

The expected immediate outcomes of TPSA are:

- improved trade and investment information flows between Indonesia and Canada, particularly for the private sector, SMEs, and women entrepreneurs, including trade-related environmental risks and opportunities;
- enhanced private sector business links between Indonesia and Canada, particularly for SMEs;
- strengthened analytical skills and knowledge of Indonesian stakeholders on how to increase trade and investment between Indonesia and Canada;

- improved understanding of regulatory rules and best practices for trade and investment.

For further information, please contact the Project Office in Jakarta, Indonesia:

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