UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

Investment Advisory Series
Series A, number 6

INVESTMENT PROMOTION HANDBOOK FOR DIPLOMATS

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Note

As the focal point in the United Nations system for investment, and building on more than three and a half decades of experience in this area, UNCTAD, through its Division on Investment and Enterprise (DIAE), promotes understanding of key issues related to foreign direct investment (FDI) and enterprise development. DIAE also assists developing countries in enhancing their productive capacities and international competitiveness through the integrated treatment of investment and enterprise development.

The term "country" as used in this publication also refers, as appropriate, to territories or areas. The designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgment about the stage of development reached by a particular country or area in the development process.

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Preface

The *Investment Advisory Series* provides practical advice and case studies of best policy practice for attracting and benefiting from foreign direct investment (FDI), in line with national development strategies. The Series draws on the experiences gained in, and lessons learned through, UNCTAD's capacity- and institution-building work in developing countries and countries with economies in transition.

Series A deals with issues related to investment promotion and facilitation and to the work of investment promotion agencies (IPAs) and other institutions that promote FDI and provide information and services to investors. The publications are intended to be pragmatic, with a how-to focus, and include toolkits and handbooks. The prime target audience for Series A is practitioners in the field of investment promotion and facilitation, mainly in IPAs.

Series B focuses on case studies of best practices in policy and strategic matters related to FDI and development arising from existing and emerging challenges. The primary target audience for Series B is policymakers in the field of investment. Other target audiences include civil society, the private sector and international organizations.

The *Investment Advisory Series* is prepared by a group of UNCTAD staff and consultants under the guidance of James Zhan.

This handbook was prepared by an UNCTAD team led by Paul Wessendorp and comprising Paul Whiteway and Andreas Wigren. The team worked under the supervision of Nazha Benabbes Taarji-Aschenbrenner. Comments and contributions were received from Richard Bolwijn, Masataka Fujita, Natalia Guerra and Jörg Weber of UNCTAD, Claudia Ma, Head of Research and

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Abbreviations

BEDIA	Botswana Export Development and Investment Authority
CEO	chief executive officer
CRM	customer relationship management
FDI	foreign direct investment
FIAS	Foreign Investment Advisory Service
IMF	International Monetary Fund
IPA	investment promotion agency
M&As	mergers and acquisitions
NEM	non-equity mode
NFIA	Netherlands Foreign Investment Agency
ODA	official development assistance
OECD	Organization for Economic Cooperation and Development
R&D	research and development
SWOT	strengths, weaknesses, opportunities, threats
TISA	Trade and Investment South Africa
TNC	transnational corporation
UKTI	United Kingdom Trade & Investment

Executive summary

This handbook is aimed at diplomats who are new to promoting foreign direct investment (FDI). Most commonly, FDI takes place when companies set up and expand affiliates or acquire firms in foreign markets. Most governments promote and facilitate inward FDI as it can be a major source of capital, employment, skills, technology and revenue. As part of these efforts, countries have set up investment promotion agencies (IPAs) on both the national and subnational levels. In foreign markets, diplomats can lend key support to these agencies because of their proximity to potential investors and their knowledge of economic and political conditions in the countries where they are posted.

A company's decision to invest in a specific location is normally based on examining the suitability of a range of locations against the operational requirements that will enable the company to add value from the investment. The investment promotion process runs in parallel to the company's decision making process. It involves (a) defining the "product" (i.e. a growth opportunity for potential investors) to be promoted; (b) identifying the target group of potential investors; and (c) devising a promotional strategy to get the message across. The intention is to generate investment leads. When leads have been generated, the task is to convert them into concrete investments.

Diplomats help to deliver marketing messages to the target group of potential investors, but above all they are involved in managing relationships with individual companies and providing them with the data they need to make an informed investment decision in favour of the diplomat's home country. This applies equally to existing investors as part of an aftercare strategy, because such companies are a good source of new investment. Diplomats also have a role in policy advocacy, channeling the views of investors about the investment climate in their country so that their government may consider what reforms are necessary to attract more investment.

Investment promotion rests on good teamwork between the national IPA, the embassies and other stakeholders in the host market. Poor coordination can lead to the failure to win investment projects. Drafting *account plans* that specify responsibilities and actions with regard to individual companies can help avoid duplication between stakeholders with an interest in the same company.

Key messages to diplomats

- Get to understand the investment process
- Work within the framework of your country's development strategy
- Set ambitious but realistic goals
- Identify target firms and focus your efforts on them
- Coordinate with other stakeholders
- Set guidelines for enquiry handling
- Do company research before meeting with potential investors
- Build trust – keep confidentiality of client information!
- Stay in touch with established investors
- Evaluate your promotional activities

Introduction

The diplomat as an investment promoter

FDI is an important driver of economic growth and prosperity. It helps to create jobs, facilitates technology transfer, and is a major source of capital for developing countries. Governments overwhelmingly see FDI as positive, although they are aware that it has potential pitfalls too. Most countries therefore maintain agencies to promote and facilitate it. Given that FDI involves foreign companies, embassies play an important role in the task of promoting investment.

Promoting inward FDI may at first seem removed from the traditional job of a diplomat. However, diplomats can be vital parts of the investment promotion network. They are often posted in markets which are sources of FDI. Furthermore, diplomacy — like investment promotion — involves relationship management and requires strong contact-making skills. Diplomats are expected to maintain wide networks of contacts, often including key business figures and decision makers. Among these there may already be existing investors.

Diplomats enjoy strong communication skills and are already well-equipped to market their own country as an investment location. The diplomats' knowledge of their duty station could be useful to obtain business information and identify potential investors. Diplomats can furthermore act as a conduit for feedback from transnational corporations (TNCs) headquartered in the country in which they are posted, thus helping their governments to identify investment-related regulations, policies and practices in need of reform.

Aim of this handbook

This handbook is aimed at diplomats who may be new to investment promotion. It deals with the role of diplomats posted abroad, seen from the perspective of the host country (i.e. the country receiving FDI). The term “investment promotion” as used in this publication refers to the promotion of inward FDI, unless otherwise stated. The handbook explains what FDI is, provides an insight into the process through which companies go when they are making investment decisions, and describes the parallel activity which governments undertake in order to persuade firms to locate in their economy. The intention is both to equip diplomats with the tools needed in the promotion of FDI and to give them confidence that many of their existing skills are directly relevant to the process.

Structure of the handbook

Chapter 1 provides an introduction to FDI and investment promotion; chapter 2 takes a closer look at the diplomat’s role in promotional activities, and chapter 3 deals with investment promotion techniques and tools. Chapter 4 presents the conclusions of the handbook.

1. FDI and investment promotion

1.1 Foreign direct investment

Over the last decade, FDI has been the greatest source of external finance for developing countries, exceeding portfolio investment and other private capital flows as well as official development assistance (ODA).[1] But what exactly is FDI?

What FDI entails

According to the definition used by UNCTAD,[2] FDI is "an investment involving a long-term relationship and reflecting a lasting interest and control of a resident entity in one economy in an enterprise resident in an economy other than that of the foreign direct investor (foreign affiliate)". An equity capital stake of 10 per cent or more of the ordinary shares for an incorporated enterprise, or its equivalent for an unincorporated enterprise, is normally considered as the threshold for FDI.

FDI has three components:

- *Equity capital* is the direct investor's purchase of shares of an enterprise in a foreign country. FDI projects that entails the establishment of new entities (greenfield FDI), is also part of this component;
- *Reinvested earnings* are the direct investor's share of earnings not distributed as dividends by affiliates, or earnings not remitted to the direct investor;
- *Intra-company loans* are short- or long-term borrowing and lending between direct investors and affiliates.

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1 UNCTAD (2009c): 5.
2 The UNCTAD definition is based on OECD (2008) and IMF (2009).

Transactions whereby an investor acquires influence or control of a foreign entity without taking an equity stake are not FDI, even though they can have effects similar to those achieved through equity ownership. Such *non-equity modes* (NEMs) include contract manufacturing, services outsourcing, contract farming, franchising, licensing and management contracts.[3]

The modes by which foreign investors enter into a foreign market vary. There are two primary routes: (a) merging with, or acquiring an existing company; and (b) setting up a new entity.

Mergers and acquisitions (M&As) entails the taking over or merging of capital, assets and liabilities of existing enterprises. The main difference between mergers and acquisitions lies in the fact that a new legal entity is established in the former case, but not in the latter. Otherwise, these two forms may be treated as identical.[4]

M&As have the important advantage of providing immediate access to the host market, to the assets owned by the local enterprise (including potentially its intellectual property), to a skilled and experienced workforce, and to an established supply chain. It has the disadvantage of carrying higher risks because M&As involve two firms, which could have rather different corporate organizations and cultures. Establishing a new entity as the vehicle for the investment is advantageous since the new enterprise can be structured more easily to fit the investor's business needs and can be expanded gradually if necessary. It involves less risk, but may also offer smaller immediate rewards. (For a discussion of potential benefits and disadvantages of FDI from the host country's perspective, see section 1.3.).

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3 See UNCTAD (2011) for more information on non-equity modes of international production.

4 UNCTAD (2009b): 98-99.

FDI is not usually about investing in land or property, although such investments can be very profitable. An affiliate may own assets including land or buildings, but these are usually connected with the running of the business. FDI is about investing in an overseas market in order to carry out a specific business activity.

In terms of investment motives, there are four basic types of FDI:[5]

(a) Market-seeking;
(b) Efficiency-seeking;
(c) Resource-seeking; and
(d) Strategic asset-seeking FDI.

Market-seeking FDI is driven by the current size or expected growth of the host market. The market size can be further enlarged by regional, preferential and bilateral trade agreements with other countries. Diplomats are in a unique position to promote such international legal arrangements, and this is often done as part of the embassies' work to develop value propositions to potential investors.

Efficiency-seeking FDI aims to rationalize the investor's operations by taking advantage of lower costs or economies of scale and scope. *Resource-seeking* FDI takes place when the investor wants to acquire resources such as raw materials, while *strategic asset-seeking* FDI is driven by access to created assets, for example special skills or technology. It is worth noting that many TNCs engage in FDI that combines characteristics of the above categories. The motives for foreign investment may also change when a firm becomes more internationally established and experienced.[6]

[5] Dunning (1993).
[6] Ibid.: 56.

Transnational corporations

The companies involved in FDI are called transnational corporations (TNCs). They comprise "parent enterprises" and their "foreign affiliates". A *parent enterprise* controls assets of other entities in countries other than its home country, usually by owning a certain equity capital stake. A *foreign affiliate* is an enterprise in which an investor, who is a resident in another economy, owns a stake that permits a lasting management interest. Subsidiaries, associates and branches are all referred to as foreign affiliates or just "affiliates" in this publication.

In a *subsidiary*, the foreign investor owns more than 50 per cent of the shares, giving it the right to appoint or remove a majority of the board members, and so control the company. A subsidiary is an incorporated company, that is to say "a legal person in its own right, able to own property and to sue and be sued in its own name".[7] If the investor owns 10-50 per cent of the shares of an incorporated enterprise, it is called an *associate*, as the investor influences rather than controls the company. A *branch* is an unincorporated enterprise in the host country, owned wholly or jointly by the investor. This may involve ownership of substantial assets, including land and buildings, or equipment such as aircraft or ships.

Affiliates may begin as small operations that later expand and diversify. Such expansions also fall within the definition of FDI.

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[7] Oxford Dictionary of Finance and Banking (2005): 83.

1.2 The investment process

The process leading up to a decision to invest abroad usually involves a systematic comparison of prospective locations. Once a decision to invest has been taken, the process enters into the implementation phase, which – depending on the nature of the investment – may feature a complex series of transactions.

The investment decision

Overseas investment involves risk. If it goes wrong, an investment can weaken the company so that it becomes a target for a takeover, or cause it to go bankrupt. Companies seek to mitigate the risk by conducting due diligence about the market, but this takes time, even for large TNCs. Investing in another economy involves special challenges, as the company may not be very familiar with local conditions at the outset of the due diligence process. This means that decisions to invest abroad can be lengthy. It can take months or even years for a company to reach the point where it actually goes ahead. This has important implications for diplomats involved in targeting potential investors. We will come to these later.

Given the risks involved in investing in another market, companies will normally take such decisions at the highest level. Decisions to enter a new overseas market for the first time usually fall to the parent company. However, TNCs with an existing network of affiliates overseas may establish one or more regional headquarters with the power to make decisions about investments in their region. When it comes to an expansion, the affiliate itself may also have significant influence on the decision, even if the final decision rests with the parent or a regional headquarters. When diplomats conduct research about potential investors it is therefore important to establish where the key decisions are taken and who is likely to take them.

Location benchmarking

In general terms, a TNC planning on a foreign investment first needs to determine what its operational requirements are. A series of locations will then be assessed on the basis of these requirements so as to establish whether any of them fit. If so, the TNC may proceed to rank potential locations in order of priority. Successfully matching the operational requirements with the desired location factors will enable the TNC to create value from the investment. The requirements will vary enormously from company to company, sector to sector, and market to market.

The locations to be examined will often be in different countries, but they can also include more than one location in a single market. The process of comparing potential investment locations is known as "location benchmarking". It is important to understand *how* companies benchmark locations.

When benchmarking locations, TNCs take a number of factors into consideration. These can be divided into three broad categories:[8]

- *Policy framework for FDI*: political stability; security; investment policies, laws and regulations, including protection of investments, rules on the entry and operations of foreign firms; tax regime;
- *Economic determinants*: local and regional market characteristics; availability and quality of raw materials; physical infrastructure; technological and innovatory capacities; cost of labour, land, energy and other inputs;

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[8] For a detailed overview of host country determinants of FDI, see UNCTAD (1998): 91.

- *Business facilitation*: investment promotion, including practical assistance during and after the investment; incentives; social amenities.

Each TNC has its own specific requirements for the host location – often a combination of the different types of factors mentioned above.

TNCs will often assess each of the locations using multi-criteria analysis. This involves scoring the performance of each location on each factor using a numerical scale, and then assigning a weight to each one, depending on the relative importance attached to it by the company.

A location may score highly on a couple of factors, but lose out overall because of low scores on others which attract higher weights. The scores are recorded in a performance matrix, so that the locations can be easily compared against each other. The output from the analysis is a prioritized list of locations which meet the overall needs of the TNC.

Factors which impact directly on cost are paramount. The assessment process may have to be repeated as factors can change with time. It is important to note, however, that not all TNCs will use systematic means of analysis: it depends upon the business culture from which they come, and the ownership structure. Some companies may be more inclined to make more rapid decisions partly based on soft factors such as quality of living in the host country.

Location benchmarking can be done in-house by the company or be outsourced, for example to a location consultancy, a bank, or an audit firm. Fundamental to the success of the benchmarking exercise is the collection of reliable data. Companies use a variety of means to obtain this, starting with publicly-available information from the Internet or print publications.

At the outset, the information collection process may not be visible to outsiders as companies usually keep such activities confidential so as not to alert competitors. However, the company may contact the host government or its agencies in order to obtain information about government policies or the existence of incentives such as grants or tax breaks. The data collection process is likely to involve visits to some locations.

Once a short list of locations has been drawn up, there will probably be further visits as the search has become site-specific, and the characteristics of each site need to be examined in detail. When all this data has been collected and analysed, a proposal can be submitted to the relevant decision makers in the company.

Implementation

When the decision to invest has been taken, the process moves to the implementation stage. If the investment involves setting up a new affiliate, the TNC is likely to be involved in a complex series of transactions and processes. Here are some generic examples:

- Registering the new company;
- Obtaining finance;
- Setting up bank accounts;
- Obtaining visas and work permits for expatriate staff;
- Buying, leasing or renting a suitable site;
- Contracting with an architect and builder to design and construct new buildings;
- Securing planning permission for new buildings;
- Securing any necessary operating/industry licenses and environmental permits;

- Establishing the supply chain for its future operations;
- Negotiating with suppliers of goods and services, including utility companies;
- Raising the company profile in the local market through public relations or advertising;
- Recruiting the local workforce;
- Obtaining any necessary permits for imported inputs.

During the implementation stage, the company will need professional assistance from local lawyers, accountants, banks, property and recruitment companies, as well as help from government agencies in obtaining licenses, visas and permits.

Expansion

Expansion often follows the initial investment, and expansion often means diversification, too. For example, a TNC that exports its products to a market often begins by establishing a sales and distribution operation, including dedicated warehousing, as a first step. This gives it better control over the marketing and distribution of its products, instead of relying on agents. The next step could be to establish a call centre, so as to handle technical questions from its customers. In some circumstances, it may be advantageous to build a local manufacturing plant, for example to profit from lower labour costs or gain access to markets protected by tariffs. If the TNC is expanding throughout the region, a next step may be to set up a regional headquarters. Finally, if the host country has a strong research and development (R&D) capability, the company may choose to establish an R&D centre in order to profit from local expertise.

Expansions therefore represent an important opportunity for the host country. Diplomats are well placed to help influence decisions taken by the parent company. We will address this subject later on in section 2.3 dealing with aftercare.

1.3 Why FDI matters

Potential benefits of inward FDI[9]

FDI brings *capital*, which may be in short supply in the host country. FDI is the largest source of external finance for developing countries and FDI inflows are generally also more stable and easier to service than commercial debt or portfolio investment. In distinction to other sources of capital, TNCs typically invest in long-term projects. FDI may also stimulate new investment by other foreign or domestic producers, for example when firms supplying a foreign affiliate invest in order to service the needs of their customer better.[10]

TNCs can bring new *technologies*, some of which may not be available without FDI, and they can raise the efficiency with which existing technologies are used. They can also adapt technologies to local conditions, drawing upon their experience in other countries. Moreover, foreign investors can stimulate technical efficiency in local firms, suppliers, clients and competitors, by providing assistance, acting as role models and intensifying competition.

Furthermore, TNCs can provide *access to export markets*, both for existing activities and for new activities that exploit the host country's comparative advantages. The growth of exports itself offers benefits in terms of technological learning, realization of scale economies, competitive stimulus and market intelligence.

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[9] The analysis of potential benefits and drawbacks of inward FDI is based primarily on UNCTAD (1999).

[10] In case the supplier is also a foreign TNC, this investment is referred to as "associated FDI".

FDI generates *employment* in host countries both directly and indirectly. In 2010, over 68 million workers were employed in TNCs' foreign affiliates, according to UNCTAD estimates.[11] The number of jobs and required skills vary according to the nature of the investment. TNCs also possess advanced *skills* and can transfer these by bringing in experts and by training the local workforce. Furthermore, FDI may help to improve *management techniques* in the host country as the investors train local managers in how to operate the local facilities. In addition, the presence of TNCs may force local firms to strengthen their managerial capabilities as well.

Foreign investors can also help improve the host country's *environment*. TNCs may possess clean technologies and modern environmental management systems and can use them in all countries in which they operate. For example, a foreign investor may introduce new low-carbon production processes, goods or services to the host country.

Finally, foreign affiliates can be an important source of *government revenue*, for example through payment of corporation tax, or duties on traded goods. The local workforce will also pay income tax and the affiliate will usually pay tax on the goods and services which it receives. This revenue could, however, be offset by tax breaks used as incentives to help persuade foreign TNCs to invest.

The result of FDI can thus be to boost the overall competitiveness of the host country.

[11] UNCTAD (2011): 24.

Potential drawbacks of inward FDI

FDI is not invariably beneficial, however. For example, the *crowding out* of domestic firms by foreign affiliates is often an issue of concern: new employment created by the investor may be offset by the disappearance of old jobs in competing enterprises. Competition from foreign affiliates can also hamper the growth of domestic capabilities in strategic industries if it prevents local enterprises from undertaking learning processes.

Since the parent company normally seconds senior management and specialized technical staff to the new foreign affiliate, the jobs created by FDI may also be at the lower end of the spectrum of skills and wages. *Low-skill jobs* are considered less desirable by many host locations since they are unlikely to result in spill-over of know-how and new technology that would improve productivity and competitiveness. However, some locations (e.g. least developed countries) may actually seek low-skilled jobs due to high unemployment in low-skilled labour markets.

FDI could furthermore have *adverse effects on net exports*. Foreign affiliates have to conform to sourcing patterns imposed by the parent enterprise and they are usually more prone to source inputs from abroad than domestic firms. The inputs may be imported from other affiliates in the TNC network, or from established suppliers based in the investor's home country or third countries.

In addition, the business models of foreign investors may be *economically, socially or environmentally unsustainable*. Concerns have been raised, for example, about FDI in agriculture, which could – if poorly managed – lead to land degradation, water depletion, or loss of biodiversity. There is also some concern that TNCs may choose to relocate polluting activities from highly regulated jurisdictions to countries with less stringent or no environmental regulation.

For all these reasons, it is important that investment promoters carefully target foreign investors, not only to maximize development benefits but also to minimize negative impact on the host location.

Finally, in the case of M&As, FDI could have *negative effects on local innovatory capacities*, for example if an acquisition results in the scaling down of R&D in the acquired firm. M&As can also have *anti-competitive effects* if they reduce the number of competitors in the domestic market, especially for non-tradable products and services.[12] However, investment promotion activities rarely extend to M&As.

1.4 Investment promotion

The rationale for government involvement

There are around 170 national IPAs in the world and many more at the subnational (state/province/city) level. Since governments fund most IPAs, they obviously believe that promoting inward FDI justifies the use of public resources. But why do governments get involved in a process which concerns investment decisions by mostly private-sector firms?

Governments are responsible for promoting economic prosperity. As we have seen, inward FDI can have both positive and negative impacts on the economy, and governments naturally wish to increase the former and mitigate or reduce the latter. This leads them to introduce policies which are aimed at attracting those types

[12] UNCTAD (2000): 178, 192-195.

of investment which will have the most beneficial impact on the economy. Such policies are likely to be linked to a wider economic strategy, which may prioritize development in key sectors.

This explains why governments facilitate inward FDI. But it does not explain why they actively promote it, rather than leaving it to the market. In most market-oriented economies, governments need a strong economic rationale before they are prepared to intervene in the economy. The rationale for intervening is usually built on identification of a failure in the market to produce what are considered optimal outcomes in terms of resource allocation, production and distribution. For example, much of the market information provided by IPAs have a public goods nature and is therefore not likely to be sufficiently produced by private firms. The private sector may also not be able or willing to develop or support networks that help foreign investors gain access to overseas contacts and opportunities. Governments therefore step in to provide what the market cannot.

FDI is also to a great extent determined by public policy, and government interlocutors have a valuable role in disseminating information on such policies to potential investors. However, not all investors require government assistance. Large firms often have sufficient resources in-house to overcome barriers to market entry, but for smaller and less experienced companies, government help can be crucial in persuading them to invest. The fact that the potential investors are located abroad gives diplomats a crucial role as intermediaries between their government and target companies.

We will now look more closely at the activity which governments undertake in order to attract foreign investors. The national IPA plays an important role here, but diplomats can also be key players.

Identifying opportunity areas

Before developing a promotion strategy, it is necessary to assess the national investment needs and potential for attracting FDI, and identify IPA and national development goals. This involves establishing the strengths and weaknesses of the host country as an FDI destination, and consulting other government departments about overall economic planning, so that the investment strategy dovetails with those plans. The link between national economic planning and investment promotion is illustrated in box 1.

Box 1. The national development strategy and investment promotion

The promotion of inward FDI usually forms part of a wider economic strategy, as illustrated by the example of Botswana.

Botswana’s 9th National Development Plan (2003–2009) was conceived as a blueprint for achieving economic diversification. The problem facing Botswana was that the economy was highly dependent for its growth on the mining sector. An important aim of the Plan was therefore to stimulate the manufacturing and services sectors. The Botswana Export Development and Investment Authority (BEDIA) was given the task of actively promoting investment flows in manufacturing sectors such as leather, jewelry, glass and beef by-products, as well as in service industries, for example information and communications technology and tourism. UNCTAD helped to devise a new FDI strategy that would further these aims. Meanwhile, the World Bank’s Foreign Investment Advisory Service (FIAS) carried out a study of the administrative and regulatory barriers to FDI in Botswana. Areas deemed to be in need of improvement were the granting of residence permits and the availability of factory space.

Source: UNCTAD, based on information provided by BEDIA.

The next step is to identify what business sectors should be targeted, and in which foreign markets investors in those sectors are likely to be found. Sectors are an important means of categorizing investment opportunities for the purpose of targeting inward investors. The mix of sectors will vary from country to country and over time. Some developing countries focus on manufacturing in order to attract FDI that will create large numbers of jobs in the local economy. Gradually, services often become more important target sectors. Developed economies may focus on the same sectors as developing countries, but they are likely to be more interested in attracting "knowledge-intensive" investment projects. Such projects require a much higher level of education and/or technical specialization in the host country. Examples include R&D, design, high technology manufacturing, sophisticated financial services operations, legal work and accountancy.

In case a national economic development plan exists, it is likely to specify sectors of the economy in which investment is being sought, allowing the IPA to focus its promotional effort on companies which operate within them. If the IPA faces a situation where there is no such plan, it must set out to identify sectors on its own. (Figure 1 provides a schematic illustration of the process of identifying sectors and the development and implementation of an investment promotion strategy.)

Setting out to identify sectors to target, the IPA must first obtain an understanding of global trends in the sector under consideration. The next step is to map out the country's current offer within the sector at a detailed level. The IPA should then consider which types of business within the sector could generate internationally mobile projects, as well as their potential destinations.

The IPA should now develop criteria in order to select targets. These criteria will measure the relative importance of identified mobile projects to the territory. After candidate projects or opportunity areas have been weighted in terms of these criteria and ranked on their relative attractiveness, they should be further examined in terms of the competitive position of the territory. Before one or more opportunity areas are finally selected, it is wise to have a "sense check" with a group of experts and policymakers to ensure that the area(s) identified by the IPA are realistic to pursue.

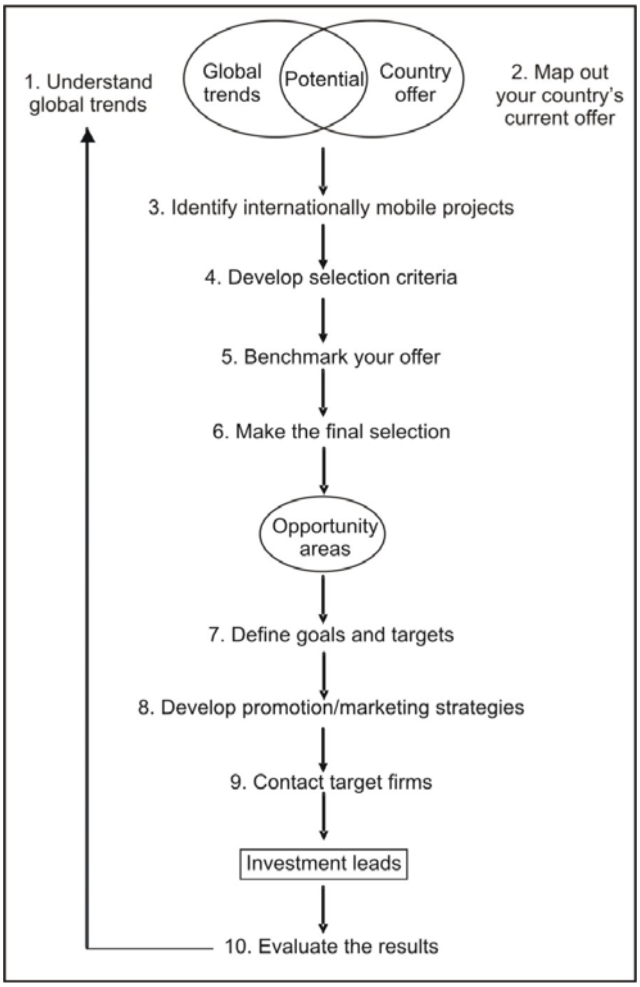
The promotion strategy

The understanding of opportunity areas is fundamental to the promotion strategy. When opportunity areas have been selected, the marketing strategies can be developed. It will define the target group of companies, for example large mining corporations, or fast-growing, innovative "cleantech" companies, it determines what such companies are looking for in a host location, and it sets out what is being promoted, i.e. the growth opportunity for the target companies. It will also specify how the IPA will go about attracting investors, and the resources that will be needed for that purpose.

The timeline for the promotion strategy should be at least three years. The pitfall to avoid is to promote the host country only as a location. Although it is necessary to provide some generic messaging about the host market, this is unlikely to be enough to make a company really sit up and take notice. Target companies want to know how locating in the host country will enable them to boost their profits. Therefore, the messaging needs to focus as much as possible on the needs of the target companies rather than generic features of the host country. Achieving this is one of the central challenges of promoting FDI.

Companies in particular sectors will often belong to trade associations linked to those sectors. For targeting purposes, contacting trade associations and other business organizations, such as chambers of commerce, is therefore a potential short cut.

Figure 1. Strategy development and implementation



Source: UNCTAD.

Implementing the promotion strategy

The next step is to implement the promotion strategy in the target markets. This is where diplomats come in. Its aim is to overcome one of the classic barriers to inward FDI ─ knowledge gaps on the part of the potential investor. As we have seen, this is one of the main justifications for a government becoming involved.

The basis for the campaign is the assembly of compelling messages which will encourage potential investors to take a closer look at the host market. With so many locations competing for a limited number of investors, differentiating the offer is crucial. The top level messages need to be simple and credible. They should boost business confidence and build the image of the economy as an investment destination based on its assets.

The targets for the promotion campaign are the companies. There is no point in devoting resources to channeling messages outside this group, although in practice, the channels used will make the messages available to a wider audience.

The channels for delivering these messages to potential investors are numerous. Websites, television and radio advertising, direct mail, events, news features and sponsored visits by journalists are all examples of such distribution channels. Social media is also increasingly used (more detailed information on marketing channels is found in section 3.1). Embassies will play a part in getting the messages across, but the messages should be designed by the IPA.

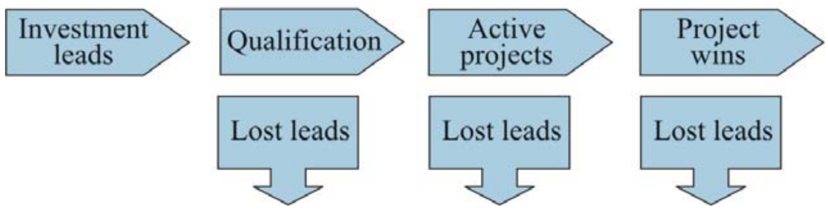
The ultimate aim of a promotional campaign is to generate leads, that is, opportunities for investment. If no leads result from the activity, it is time to rethink the strategy!

Converting leads into investments

Converting investment leads into concrete investment projects in the host country involves direct contact with companies, whereas promotion is primarily aimed at groups of enterprises. Investment leads come from a variety of sources. Many result from promotion campaigns. Some come without any promotional activity. In these cases, the embassy may become aware of the lead when the company makes contact (see section 2.4, on enquiries). Others fall out of proactive activities, such as company visits (which could be regarded as a form of marketing). The type of company to be visited will be driven by the overall strategy. Section 3.3 discusses company visits at greater length.

The process of converting leads into investments may be thought of as a pipeline. This is illustrated in figure 2. Leads enter the pipeline at one end. They must first be "qualified" to establish whether they can become viable projects. As they move along the pipeline, they either develop into projects, or are lost. At the end of the pipeline the project wins emerge. The number of leads entering the project pipeline is much greater than the number of project wins. The ratio may also vary from market to market.

Figure 2. Converting leads into investment projects



A project is a much more highly developed proposal, and is likely to include an idea of scale, business function and timeline. It may not be location-specific; indeed, the TNC is quite likely to be looking at a range of options involving more than one country. By the time a company has reached the project stage it has crossed an invisible threshold and become a client.

The task of the IPA and the embassy is to qualify as many leads as possible, and then convert these to project wins. They will also seek to influence positively the timing and scale of the project. The IPA should provide all the data necessary to convince the company that investing in the host country will add value. As the project moves along the pipeline and becomes more location-specific, the nature of the information needed by the company will change. This may involve the IPA and/or embassy in arranging a visit (or visits) to the host market by company representatives. Finally, when the company takes the decision to invest, the project moves to the implementation phase and emerges from the project pipeline. This can take weeks, months or even years.

Investor aftercare

Aftercare is the subject of a dedicated UNCTAD study.[13] In the introduction, it quotes a definition of aftercare by Young and Hood[14] as "comprising all potential services offered at the company level by governments and their agencies, designed to facilitate both the successful start-up and the continuing development of a foreign affiliate in a host country or region with a view to maximizing its contribution to the local economic development". This definition therefore embraces both the assistance connected with the immediate establishment process, and the longer-term help designed to unlock value from the investment in the future.

[13] UNCTAD (2007).
[14] Young S and Hood N (1994).

Aftercare therefore means having a structured relationship with the company over the long term. This has important advantages, for example if the company wishes to expand its presence. Expansions also require the collection and analysis of data, and again the gestation period can be long. It is quite likely to require information from government agencies and government intervention may be decisive in encouraging the expansion to occur, especially if the decision hinges on issues such as grants or tax breaks. The IPA may be able to influence the scale and timing of the expansion, or encourage the company to diversify its presence. Note that aftercare may be offered to companies which originally located without government assistance.

If the company eventually decides to disinvest, the IPA is also more likely to obtain advanced information about the move if it has established a relationship of trust with the company. In some instances, the IPA may even be able to rescue the situation and offer something which will enable the company to maintain its presence (this is known as retention).

The essence of aftercare is relationship management. Again, a lead may emerge as a result of contact with the company. It then passes through the project pipeline in the same way as a new investment. Diplomats can be very influential in the process because of the contacts which they can maintain with the parent company.

For those who wish to know more about FDI and investment promotion, there are many useful resources online. Box 2 gives some examples.

Box 2. Useful online resources

UNCTAD's *Investment Advisory Series* addresses investment promotion and policy issues. Series A provides practical advice on investment promotion-related topics, with IPAs and other institutions promoting FDI as its primary target group. Series B provides case studies of best practices in FDI policies and strategies. The annual *World Investment Report* focuses on FDI trends and issues related to the role of FDI and TNCs in development. The *Series on International Investment Policies for Development* provides analyses of issues that arise in international investment rule-making and their impact on development (www.unctad.org).

The Organization for Economic Cooperation and Development (**OECD**) has online FDI resources, including member country statistics and a "Policy Framework for Investment" tool (www.oecd.org/daf/investment).

The United Nations Industrial Development Organization (**UNIDO**) also has online resources for investment promoters. For example, an Investment Monitoring and Management Platform is currently being developed for African countries (www.unido.org).

The **World Bank Group** hosts an FDI Promotion Center, which offers online access to resources and tools designed to help organizations seeking to attract FDI (www.fdipromotion.com). The Doing Business project gives in-depth analysis of the costs of doing business and rankings of country performance (www.doingbusiness.org).

Source: The respective organizations' websites.

2. The diplomat's role in investment promotion

2.1 The investment promotion network

The responsibility for directing overseas investment promotion normally lies with an IPA. The IPA cascades its promotion strategy to its overseas representatives ─ often diplomats acting as agents of the IPA. The main role of the diplomat is to target actual and potential foreign investors, building on their presence in markets where such investors are to be found; their knowledge of the local political and economic situation; the networks which they are expected to establish in the local business community and in government circles; and their contact-making skills.

Promoting inward investment is a team activity. However good an individual may be at promoting his market to potential investors, success depends in part on working with other stakeholders to see the project through to realization. A country's promotional efforts rest upon a network in which the IPA sits at the centre and communicates with the overseas representatives in one direction and a range of stakeholders in the other. The latter includes a principal government stakeholder (usually a ministry), other government departments with a stake in attracting FDI, and subnational IPAs ─ if such exist in the country.

Some investment promotion networks are relatively complex: the case of South Africa is one example (box 3).

An IPA reports to a principal stakeholder, for example the Prime Minister's Office, the ministries of industry, trade, economy or finance. This body sets the targets which the IPA must achieve and often provides the necessary budget.

Box 3. Investment promotion network: South Africa

In South Africa, the responsibility for promoting inward investment lies with a ministry, the Department of Trade and Industry. One of its key objectives is to "promote direct investment and growth in the industrial and services economy, with particular focus on employment creation". The division charged with attracting FDI is Trade and Investment South Africa (TISA). TISA's primary mission is to "increase South Africa's capability and capacity to promote exports into targeted markets; increase and retain the level of foreign and domestic direct investment and manage the Department's network of foreign offices".

TISA has three business units, of which one deals with investment promotion and facilitation. The other units deal with export promotion, and management of TISA's network of overseas representatives. This network is located within South Africa's diplomatic missions. At home, TISA works with a range of stakeholders, including other divisions of the Department, other national government departments, provincial government departments and their agencies, urban metropolitan councils, chambers of commerce, private sector companies and international counterparts. The nine provincial investment promotion agencies are also important stakeholders.

Source: TISA website (www.thedti.gov.za).

IPAs are structured in different ways. Some IPAs are integral parts of government departments, others are standalone operations. Some are combined trade and investment agencies, while others are restricted solely to investment promotion.

There is a basic difference between IPAs which focus on facilitation, and those which are involved in more active promotion. The former are mainly involved in assistance with obtaining permissions for investors, for example building and work permits, or helping with access to utilities, or tax authorities. Some aim to act as a one-stop shop, and are staffed partly by representatives from those government departments from which the permissions must be obtained. Such IPAs may do some promotion, but their role is largely a reactive one, and they move into action when approached by a client.

IPAs which focus on promotion may still do facilitation, but they have more resources devoted to marketing, possibly a dedicated promotion department. They are also more likely to have overseas representatives and may have a team tasked with providing data for clients about a wide range of issues. Promotional IPAs have a more proactive business model and they often strive to recruit staff with private-sector experience.

Promotional IPAs tend to be organized along one of two broad principles. The first approach is geographical, with teams that support activity in particular overseas markets, for example Asia-Pacific, Europe, or North America. This has the advantage that each team becomes expert in the business cultures of a narrow range of markets, and has a small number of overseas staff to support.

The geographical approach is now being superseded by one based on sectors. The sectoral approach has a number of advantages. The task of the IPA is to market a growth opportunity for companies in particular sectors, allowing the team to acquire a deeper knowledge of these sectors and be able to speak with greater confidence to the clients. Such a structure is especially suitable if the IPA headquarters team is expected to engage directly with clients, and not just provide back-office support for the agency's overseas representatives.

2.2 Managing leads

Chapter 1 explained the process of generating investment leads. The embassy can try to generate leads by establishing a programme of company visits, aimed at businesses which have a propensity to invest overseas, and which operate in sectors which would be a good fit for the host country.

The task of the embassy, supported by the IPA, is to manage its project pipeline so as to convert as many leads as possible into investment projects in the host country. The embassy does this by providing all the data necessary to convince the company that investing in the host country will add value and that risks are minimized. It should do this in a proactive way, maintaining regular contact with decision–makers, collecting business intelligence, and responding promptly to requests for more data.

This work also involves stakeholder management, because much of the data will come from the IPA or other government agencies. Getting them to respond quickly is important. This is less straightforward than it sounds, even though all the parties have an interest in securing the investment. The types of issue which can cause delays include firm offers on financial incentives, especially if these have to be approved on a case-by-case basis by ministers.

Moving the company along the pipeline is likely to involve a series of meetings between the embassy and the client, and the drafting of presentations. The critical meeting is the first one: if handled badly, the embassy may not get a second chance to make its case. Section 3.3 provides practical advice on client meetings.

At this stage, it is important to remember when dealing with the company that it will expect the embassy to maintain confidentiality at all times regarding its future plans. The TNC is in competition with other companies, and if it believes that the embassy is not to be trusted with sensitive information, it will not share it. What the embassy must do is to build trust. When the embassy passes on data belonging to the company to other parts of the investment network, it is essential to ensure that the information is properly protected, and that it is shared only with those parts of government which need the data.

The ground rules for the subsequent meetings are the same as for the first one, although as the relationship with the client develops, greater informality may emerge. A lot of the skill in handling the process from the embassy side lies in asking the right questions, and in being good at listening.

Sometimes it will not be necessary to produce formal presentations at all. Some businesses may ask for frequent snippets of information sent by e-mail. Other companies, by contrast, may welcome longer, formal presentations, delivered in hardcopy. The rule is to deliver the data in the format requested by the client, not the one which happens to be convenient for the embassy.

Apart from formal meetings at which information is handed over, the embassy may also consider inviting senior company representatives to any appropriate social events, so as to reinforce the relationship.

As the process moves along, it thus becomes increasingly location-specific. The embassy may start to deal more with a subnational IPA to supply the necessary data, and the information may include details of individual properties. At this point, the company may wish to visit the host country and view prospective sites. This is an important moment in the project. The embassy is likely to act as an intermediary in organizing the visit programme. Getting the details right is essential and will require good staff work. Section 2.4 contains advice about how to do this.

If the visit has been a success and all the other pointers are favourable, the company will now move towards making the decision. A project may still be lost if the business case does not stand up to scrutiny by the investor. If so, it will be instructive to ask the company for feedback, so that any mistakes can be avoided in the future. But if the company decides to go ahead, the embassy (and the IPA) can register a success. (It is, however, important to remember that unexpected developments can still cause the investor to reverse the decision, and that nothing is absolutely certain until the presence in the host country is physically established).

The project now enters the implementation phase. At the outset, the company is still going to require practical assistance from the embassy, especially with regard to visas and work permits. More help may be required with introductions to business networks, banks, accountants, recruitment companies and business services providers. Increasingly, the action shifts to the host country and the role of the embassy diminishes, while that of the national or subnational IPAs may grow.

Promotion of NEMs

Some countries may include the attraction of NEMs in their investment promotion campaign. For firms, NEMs have a number of advantages above FDI in terms of lower up-front capital expenditure and operational costs and reduced exposure to risk. For countries, NEMs can bring employment, increased exports, technology and skills acquisition, and transfer of best social and environmental practices. NEMs can, however, also lock countries into long term dependency with relative “footloose” productive activities limited to low-value added and low-tech segments of the global value chain.[15]

An UNCTAD survey showed that IPAs which promote NEMs are mostly involved in information provision, for instance on franchising opportunities, and project facilitation. Investor

[15] UNCTAD (2011): 142, 147-164.

targeting, aftercare and policy advocacy were less used as promotional tools with targeting activities mainly focused on contract manufacturing.[16]

The role of embassies in the promotion of NEMs is limited. A foreign company may approach the embassy as a short cut to identifying suitable business partners or to get information on specific firms. Embassies should refer such leads back to the IPA. Diplomats could also be involved in the promotion of NEMs at, for instance, trade and investment fairs in the country where they are stationed.

2.3 Diplomats and aftercare

As we saw in chapter 1, investor aftercare means having a long-term, structured relationship with the investor once it has established operations in the host country: it does not just involve helping the company to sort out any immediate issues after the affiliate has located. The aim is to ensure that the IPA remains close to key investors, and helps them to grow and diversify their presence. In the event that the TNC decides to disinvest, the IPA can work with the company to try to mitigate the impact, or even find ways of persuading it to change its mind.

Aftercare presents a number of challenges. The more successful an economy is in attracting FDI, the larger the number of aftercare relationships which need to be managed. This can give rise to problems of prioritization. Responsibility for aftercare is complicated by the fact that the TNC now has a presence in the host country. Several stakeholders may now be involved: the IPA, the embassy, and perhaps a subnational IPA as well. It is important to

[16] UNCTAD (forthcoming).

coordinate approaches to the company so that duplication is avoided, and the company does not receive mixed messages. It does not really matter who coordinates the approaches, provided that it is done effectively. A good way of ensuring that all the stakeholders understand and buy into the approach is to draft an account plan for each company. Account plans are explained more fully in section 2.4.

The role of the embassy is to maintain contact with the parent company, unless the decision-making is delegated to a regional headquarters. The list of companies with whom the embassy should maintain contact for aftercare purposes ought to be driven by the overall promotional strategy, which should specify the sectors and types of company to be targeted. The list of targets need not be confined to companies which the Government has helped previously. Once it has produced the target list, the embassy can then set about a programme of visits to the companies. The purpose of these visits is:

- To establish what the company thinks of the host country, and to ensure that there are no issues of concern to the company regarding its affiliate; and
- To collect business intelligence about the company's future strategy. In particular, to obtain early information about possible expansion plans, or warnings about possible disinvestments.

The diplomat making the visit may also wish to find out whether there are any opportunities for firms based in the host country to partner with the company or to export goods or services for its use.

The ground rules for the meeting are the same as for any meeting with a company (see section 3.3). Recording the visit properly and sharing the details with stakeholders including any subnational IPAs are of key importance. Above all, the embassy must be careful to respond to any requests from the client for information as quickly as possible.

The pattern of future contact will depend on how the first meeting proceeded. Where there is no evidence of any future company activity in the host market, it may be enough to schedule a further meeting after six months or even a year. However, if it is plain that the company has plans to expand or disinvest, the embassy should attempt to hold another meeting in a much shorter timescale.

As in the case of a first meeting with a new investor, maintaining client confidentiality is essential if the embassy is to establish a relationship of trust with the company. It should not come as a surprise that the company is reluctant to divulge sensitive data at the outset. Hopefully, it will do so in the future once the embassy has proved that it is a reliable partner.

Box 4 provides an example of the role that diplomats can play in aftercare.

Sometimes an existing investor will not respond to approaches from the embassy. If the company is important enough to be on the target list, it may be wise to try another approach. One possible way of handling this is to wait until there is a ministerial visit, and then invite the chief executive officer (CEO) to meet the minister. Sometimes an invitation to a cultural event may help. It is important to be persistent, but without being imposing and causing resentment on the part of the investor.

Box 4. Helping a company expand in the United Kingdom

Headquartered in Japan, one of the world's leading research-based pharmaceutical companies has had a presence in the United Kingdom for over 20 years. It started conducting clinical research in the United Kingdom in 1988, and established a research laboratory in London in 1990. In 1995, the company set up a sales and marketing office in the same city.

In 2009, the company opened a new facility in the United Kingdom. Total capital investment was over £100 million and the site now employs some 600 people with the potential for further expansion. Its functions comprise European headquarters, drug discovery, clinical development, drug manufacturing and marketing.

Throughout the project, the British Embassy in Japan, United Kingdom Trade & Investment (UKTI, the United Kingdom's national IPA) and East of England International (a subnational IPA) all assisted the company in different ways. The investment team in the British Embassy kept in touch with the parent company in Japan from the outset as part of its aftercare strategy. In late 2004, the company informed the embassy that it was considering centralizing its sales, marketing and R&D operations at a single site and carrying out manufacturing there as well. It was understood that the company was considering three different European countries including the United Kingdom. With support from UKTI, the team delivered presentations to the company dealing with issues such as the overall attractiveness of the United Kingdom, R&D tax credits, and property. UKTI, working with the subnational IPAs, helped draw up a list of 30 possible sites in the United Kingdom and brokered meetings for the company with local service providers. British ministers also met senior company representatives on several occasions.

In early 2006, the company announced publicly that it had chosen a site in the United Kingdom. The site had been identified by East of England International. Since then, the Embassy's investment team in Japan has remained in touch with the company in order to assist with any issues arising from its investment in the United Kingdom and to identify any potential opportunities for further expansion.

Source: UNCTAD, based on information provided by the company and UKTI.

Diplomats' contacts with investors through aftercare provide a window into the difficulties that TNCs encounter in their business operations and possible expansion plans in the host country. This is valuable information for the IPA, which needs to identify problems that investors face and prioritize them for their policy advocacy agenda.[17] It is therefore important that diplomats channel this information to their IPA and other government institutions that may be able to initiate the necessary improvements or reforms.

2.4 Coordinating investment promotion

Investment promotion demands good teamwork between the embassy, the national IPA, subnational agencies, and other stakeholders. Box 5 illustrates how investment promotion in the Netherlands is coordinated between the Dutch embassies and the national IPA, Netherlands Foreign Investment Agency (NFIA).

Box 5. How diplomats help to promote FDI in the Netherlands

The responsibility for promoting FDI in the Netherlands lies with the Netherlands Foreign Investment Agency (NFIA), an operational unit of NL EVD International, one of the five divisions of NL Agency, which in turn falls under the Ministry of Economic Affairs, Agriculture and Innovation. The NFIA is headquartered in The Hague and has overseas offices, mostly in North America and Asia. These offices are physically located inside Dutch embassies and consulates-general. However, in markets where the NFIA has no presence, Dutch diplomats act as its eyes and ears. This widens NFIA's net considerably, as the Netherlands has over 100 embassies and more than 20 consulates-general.

/…

[17] More information on IPAs and policy advocacy can be found in UNCTAD (2008a).

Box 5 (concluded)

The economic guidelines provided to the commercial staff in Dutch embassies by the Ministry also cover the topic of FDI and the role of NFIA. Commercial staff are informed how to identify potential investors, especially companies which are growing and which are looking to expand physically in Europe. They are then requested to contact them in order to discuss their expansion plans and to market the Netherlands' strengths as a location for their business. NFIA provides a basic marketing brief for this purpose.

When the embassy has identified a serious potential investor, it completes a form confirming project details, which the staff then send to the nearest NFIA office. The commercial staff are also able to obtain information from NFIA's websites, and from an NFIA intranet, which is also shared with NFIA's network in the Netherlands. They then pass on this data to the company. The embassy may also be required to organize a visit by company representatives to the Netherlands. The embassy provides these services free of charge and on a confidential basis.

As soon as an active project emerges, NFIA becomes responsible for managing it. Depending on the topic, negotiations of a more detailed nature will take place with the relevant (government) bodies. For example, negotiations on tax rulings will involve a tax inspector and NFIA will assist where needed. Roles will vary depending on the nature of the project.

The instructions from NFIA to the diplomatic network are specific with regard to the business activities and sectors of interest to the Dutch Government. NFIA does not, however, help M&As, nor purely financial investments.

Source: UNCTAD, based on information provided by NFIA.

Stakeholder management

IPAs have to spend time managing their relationships with stakeholders. The IPA must pay attention to satisfying its principal stakeholder, the government ministry from which it receives its funding. Other government departments can play potentially useful roles in helping to promote inward FDI: they too need to be cultivated. National IPAs may also need to devote significant attention to managing their interface with subnational IPAs. This is because such agencies may be in competition with each other, and their activities can cut across what the national IPA is trying to achieve (and vice versa). Diplomats can sometimes be caught in the middle when there are differences to be ironed out between national and subnational IPAs. Time spent on managing stakeholder relationships means that there is less time to devote to clients. Experience shows that it is vital to get the balance right.

Account planning

A useful way to manage relationships with potential and existing investors is to draft account plans. These identify the nature of the investment opportunity, help to focus resources, whether human or financial, promote cooperation between the various members of the investment promotion network, and avoid duplication of efforts. An account plan needs:

- To have a clearly stated objective. This should be agreed at the outset with the IPA and any other relevant stakeholders;
- To set out a simple strategy for achieving the desired goal. It should record agreement on: (a) who should have contact with the company (primarily the client relationship manager), (b) what the timeline should be, and (c) what inputs are necessary to encourage the company to invest;
- To be succinct. A one-page plan will often be all that is necessary.

Drafting the plan must not become a big bureaucratic chore, diverting investment officers from spending time with clients. The plan itself should be reviewed at agreed intervals. If the stakeholders believe that it is not worth devoting more effort to winning investment from that particular company, they should focus instead on a more promising prospect. Otherwise, they should modify the plan as necessary, changing the objective as new opportunities arise. Account plans become even more important when it comes to managing aftercare, which often involves multiple stakeholders. Figure 3 gives a template that can be used when drafting an account plan.

Action planning

Diplomats may also find it useful to have their own general action plan setting out what they intend to achieve in the coming three years and what resources are available to them for that purpose. The national IPA may of course require embassies to have plans using a set format. However, if it does not, the template in the annex may be useful. This begins with a SWOT analysis which looks at the strengths, weaknesses, opportunities and threats related to their own economy from the standpoint of attracting FDI from the country in which they are posted, and considers how their embassy is positioned to promote such investment. It identifies a series of objectives, notes the available resources in staff and money and sets out what activities are to be carried out in order to achieve the objectives.

Two major areas of coordination between the stakeholders are handling of investor enquiries and organizing visits.

Figure 3. Account plan template

<table>
<tr><td colspan="2">Electronic file reference:</td></tr>
<tr><td colspan="2">Account plan for [name of company]

Sector:

Turnover:

Number of employees:

Parent company/regional headquarters/foreign affiliate:</td></tr>
<tr><td>Company contact information

Address/telephone number of company:

Contact name(s)/position(s):

E-mail/telephone:

Website:</td><td>Account management

Client relationship manager:

Stakeholders:
a)
b)
c)
d)</td></tr>
<tr><td colspan="2">Account plan</td></tr>
<tr><td colspan="2">Date:</td></tr>
<tr><td colspan="2">Objectives:
1)
2)
3)</td></tr>
<tr><td colspan="2">Key milestones:
1)
2)
3)</td></tr>
<tr><td colspan="2">Client presentation needed/delivered?</td></tr>
<tr><td colspan="2">Date of next review:</td></tr>
<tr><td colspan="2">Comments:
1)
2)
3)</td></tr>
</table>

Enquiry management

One area that requires close coordination between different stakeholders is the handling of investor enquiries. As the promotional campaign rolls out, embassies must be equipped to handle enquiries from potential investors. This is harder than it sounds. A 2008 World Bank benchmarking study found that 70 per cent of IPAs did not handle enquiries in a consistent manner.[18] Yet enquiries are precious to an investment network since they can metamorphose into investment leads. Below are some suggestions about how to deal with this issue:

- Establish clear protocols for staff handling enquiries, setting out standards such as checking e-mail and voice mail regularly, using an agreed formula when answering the phone, answering within so many rings, establishing deadlines for acknowledging enquiries and providing material;
- Nominate a person to act as the first point of contact. Ensure that the website provides his/her contact details. This person needs to have a good telephone manner, speak the local language and be sufficiently informed about FDI attraction in order to deal confidently with basic enquiries. Thought should be given to providing leave cover when the nominated person is away. The receptionist/telephonist should be briefed about the person’s role;
- On receiving a telephone enquiry or handling a visitor, the staff member should make certain to write down the caller’s full contact details and the nature of the enquiry for subsequent entry in the embassy database;
- The staff member must then rapidly assess whether the enquiry is a routine one which can be dealt with using

[18] World Bank (2009).

standard information material, or whether it looks more like a potential investment lead. If the latter, it needs to be fast-tracked to a more senior member of the mission;

- The embassy needs to respond to all enquiries as quickly as it can. An enquiry languishing in someone's in-tray for a week could make the difference between winning and losing a project. To prevent such losses, the embassy can establish an internal performance pledge, stating that all enquiries need to be responded to within a certain time frame. For enquiries that require more time for extensive research, a holding reply should be sent to let the enquirer know the enquiry is currently being processed.

The sort of standard materials which the embassy should have will often be found on the website. However, a company with a serious enquiry is unlikely to be impressed by being told to visit the website. The enquiry could be the start of a long and fruitful relationship, so the embassy should respond by e-mailing or sending a hard copy – whichever the company prefers – with relevant, tailor-made information. The material should address the specific enquiries raised and it typically includes information about the business environment, living conditions, or fact sheets and brochures about individual sectors.

Having provided the data, the embassy needs to follow up as soon as possible. The embassy should establish whether the data has been useful, and whether the company needs any more information. This is an opportunity to try to discover more about the reasons for the enquiry, and to test whether a meeting would be fruitful. The enquiry may reflect the early stages of a company's due diligence into the host market, and the response may be guarded. Or it may be that the enquiry is made by a location consultant on behalf of an "unnamed client", who is also likely to be circumspect. Other enquiries may reflect nothing more than a general curiosity about the market. The enquiry may even be from a "mystery shopper", seeking to test the effectiveness of the embassy's enquiry handling as part of a benchmarking study! However, some enquiries will now achieve the status of leads, i.e. they appear to demonstrate concrete interest in investing on the part of a named company within a reasonable timescale.

If the embassy does not have the information described above, and it is not accessible via the IPA website, it should speedily contact the IPA. It may be that the embassy needs to provide a customized client presentation, most likely supplied by the IPA. The latter may need to contact other stakeholders, such as a subnational IPA, in order to obtain the data. The embassy needs to make sure that the IPA replies promptly, and to manage the expectations of the company about when they will get the information. For example, it would be a mistake to promise to supply the information within one week when in fact it would take three weeks to assemble. To do so would undermine the credibility of the embassy with the company. Some advice on client presentations is given in section 3.3.

A decision will need to be taken about whether to hand over the presentation in a meeting or simply to send it by e-mail, courier or post. A meeting is greatly to be preferred, because it offers the opportunity to explain the information in a more favourable and detailed way, establish a rapport with the company and gather more business intelligence about its future strategy. The meeting will then enable the embassy to qualify the lead, thus moving it along the project pipeline to the next stage – active project. Guidance on company meetings is also contained in chapter 3.

Note that enquiry-handling is largely a reactive process, and contrasts with the proactive targeting of companies. However, it can be a very successful way of assisting inward FDI, and is less resource-intensive than the proactive model. It depends for its success on having an effective means of capturing all enquiries, prompt footwork, good client relationship skills, and effective coordination with the IPA.

Visits to the host market

As an investment project moves along the pipeline, so it becomes more location-specific. The company will almost certainly want to visit the host market before it makes an investment decision. Organizing such visits is another activity that requires good coordination between diplomats and other stakeholders.

A visit is of course a good sign, but it does not mean that the company is going to invest. The firm may test a number of different markets, and yours may lose out in the competition. To maximize the chances of a successful outcome, the embassy, the IPA and other key stakeholders (such as subnational IPAs) need to collaborate closely in arranging the visit. Here are some pointers about what to do:

- Establish clear objectives for the visit with the company. Find out who or what they want to see, and establish the wished length of the visit and the number of visitors. Do this as far in advance as possible and inform the IPA and other stakeholders. Ensure that the IPA and other stakeholders have a clear picture of the potential investment opportunity;
- Agree on dates which do not conflict with holidays in the host country (unless the company wants it that way). Ensure that these suit the other stakeholders;
- In consultation with the IPA and other stakeholders, draw up a proposed itinerary which responds as closely as possible to the company’s stated wishes. Include the key stakeholders. Be realistic about travel times. Leave time for a closing meeting with the IPA at the end;

- Normally the IPA will make the logistics arrangements in the host country, including booking hotels and local transportation. Make sure that it does this promptly;
- Show the company the draft itinerary as soon as possible. Get their comments and inform the IPA of any changes. Obtain biographical material on the visitors and send this to the IPA. Also, provide information about participants in the host country to the visiting company;
- Issue a final programme approximately one week before departure. Make certain that all participants have copies of the final version and that all the calls/visits have been confirmed;
- It may be appropriate for someone from the embassy to accompany the delegation, especially if language is an issue. If so, this person should stay with the visitors throughout the tour;
- The closing meeting will hopefully provide information about the company's position and any major concerns at the end of the visit (a segment dedicated to the collection of feedback could perhaps be formally included in the agenda). The embassy should follow this up on their return home and establish whether the company needs any further information.

3. Investment promotion techniques and tools

3.1 Designing and delivering the message

The promotional campaign is the means by which the overall promotion strategy is implemented. It is designed to fill knowledge gaps about the host country and build its image as an investment destination. The ultimate aim of the promotional efforts is to generate leads from potential investors, which can then be qualified and converted into projects. The choice of promotional techniques and tools is crucial in getting the message out to the target companies.

Designing the message to investors

The promotional campaign rests on the delivery of compelling messages to the target group of potential investors (box 6).

Box 6. Messaging

Messaging operates on a number of different levels. For example, there are messages designed to promote the country’s image in a general sense. These help to create the right environment in which the company may begin to consider the country as a potential place in which to invest. Messages can also focus on specific regions, business clusters, sectors, or individual companies.

To the extent possible, the messaging should:

- Be specific to the target market and delivered in the local language;
- Differentiate the host market clearly from the competition;
- Be credible, authoritative, accurate, up to date, verifiable, sharp, and therefore easy to assimilate;
- Promote trust in government;
- Address negative stereotypes.

Source: UNCTAD.

The assembly of these messages is, or should be, a task for the IPA rather than the embassy. Diplomats become involved in getting them across to the target audience using a variety of channels. However, sometimes the embassy will also be involved in putting them together, so it is worth considering the basic principles.

Marketing channels

There are a number of marketing channels available to embassies. The balance between them will vary from country to country, and depend on the available budget. As noted above, location marketing is all about how you can assist your economy to stand out in contrast to the others, and to get these messages to the target audience. This does not just depend on the messages used, but also on the techniques employed to get them out. So the marketing channels matter.

Websites are searched extensively by TNCs conducting research on possible locations for investments. IPAs have their own websites, usually containing information about the services which they offer as well as information regarding the business environment (labour laws, taxes, incentives, etc.), and data about sectors of potential interest to investors. Most embassies also have either their own websites, or dedicated web pages hosted by a central government website. What is important is to ensure that the messaging on the embassy website is consistent with that on the IPA site. In some cases, this is achieved simply by having a link from the embassy to the IPA site. Wherever the information is held, it needs to be updated regularly, and be available in the language of the target market. This may sound straightforward, but ensuring that this happens is a challenge even for the larger IPAs. The embassy website should also have a contact name, telephone number and e-mail address so that a potential investor knows whom to approach with an enquiry. Diplomats should check their website on a regular basis to make sure that the links work and that all the information is up to date.

Adverts can be placed in newspapers, business magazines, online publications, on radio or television. It is also possible to take advertising space at places where business people are likely to be, for example at airports or at business-oriented events. Adverts have the advantage that they can be targeted, they are fully under the control of whoever places them. The big drawback is the cost. Few IPAs or embassies are likely to have the budget to use this channel very much. But not all adverts are costly. Embassies should have portable advertising materials such as pull-ups for use at events that they organize or sponsor. At a minimum, these should display their government emblem and contact details, helping to funnel enquiries to the embassy.

Sponsorship of events can be a very good means of raising the profile of the host market. The partner organization should ideally be connected to the business world. The embassy can also use its own funds to sponsor events organized by other bodies, thereby generating more publicity for itself. Another commonly used approach is to sponsor business awards in a particular market. These can be aimed at companies already investing in the host country, leading to further news stories about investment opportunities.

Newsletters and magazines are a common means of getting the message out. These should contain authoritative, up-to-date information about the host country, backed up by findings from third parties. They should follow an attractive format. The aim should be to prompt the readers to contact the embassy for more information, or to visit its website. They can be sent out electronically or in hard copy. In either case, it is essential to have an up-to-date mailing list of recipients representing companies of interest from an FDI perspective. The IPA may supply part if not all of the information, which should be translated into the local language. It is often possible to offset the production costs by means of advertising from other organizations. Hard copy magazines have the advantage that they can be easily read by more than one person when left lying around.

Workshops and seminars are opportunities for experts, government officials, leading businessmen and professionals from the host country to speak about specific aspects of interest to potential investors in front of invited audiences. A successful workshop or seminar depends on several factors: (a) an interesting and relevant programme; (b) speakers of the right stature and expertise, who will be a sufficient attraction for the audience; (c) a good database of contacts from which to select relevant participants (including the press); (d) an accessible venue of the right size and standard; (e) persistent staff who will follow up the invitations so as to ensure a good turnout; (f) active pre-event marketing; (g) sufficient staff on the day to network with the invitees; (h) (if appropriate) simultaneous interpretation; (i) an effective moderator (a possible role for the head of mission); and (j) post-event media coverage.

Ministerial visits can be used for a variety of purposes. The embassy can work its press contacts so as to ensure that the profile of the country is raised. Visits by a minister often result in media coverage stimulated by the press offices of the organizations which are visited. They can sometimes also unlock contact with the CEOs of large corporations. The embassy can then follow up, taking advantage of the opening made. The minister can also make a speech promoting the country as an inward investment destination, hopefully leading to further publicity. It is common to arrange a reception during a ministerial visit. Leading business people can then be invited to meet the minister. With careful choreography it should be possible to ensure that the minister gets round the reception and meets anyone of commercial importance. It is up to the ambassador and his/her staff to make sure that this happens. Such contacts can be even more fruitful if the minister is briefed beforehand about the business people whom he or she is likely to meet, and primed to ask the right questions about their future strategy. Before departure, it may be appropriate to organize a press conference. Diplomats may have a role in arranging this, unless the government to which they are accredited hosts it. If the former, it will depend for its success partly on the quality of the mission's contacts with the media, although even the best arrangements can come to nothing if the media are diverted by a major news story elsewhere.

Press releases offer a succinct means of getting stories into the media, but they depend upon the willingness of local newspapers to cover them. For this purpose, press releases have to be newsworthy. It is no use issuing a release dealing with a topic of little interest to the newspaper's readership. A small number of highly relevant, timely press releases are likely to be more effective than a plethora of poorly focused ones.

News features about the host country by journalists based in a target market may be more persuasive to potential investors than officially-supplied information. Diplomats can help by cultivating editors of key newspapers and other media by providing information. This, however, does not give them full control over the article, so there is an element of risk to this approach.

Another effective — but expensive — method of securing good press coverage is to organize *inward press visits* by carefully selected journalists to the host market. These take time to arrange because of the many stakeholders involved. They need to have clear objectives, which support the IPA's overall targets. For example, the visit could be aimed at journalists working in specialist trade magazines which are widely read by senior executives in companies belonging to sectors of interest to the IPA.

3.2 Identifying target companies

Cooperating with professional services firms

When searching for a location, many prospective investors will contact professional services firms such as auditors, law firms, real estate consultants or banks in order to gather information. If there are such firms with offices both in the home country and in the duty station, it might be a good idea for diplomats to get in touch with them. The relationships built with these firms can help diplomats find out which enterprises are currently making location enquiries and thus give an indication of which local firms to focus the promotional efforts on.

The national IPA may already have links with several professional services firms, and these are often keen to help because of the possibility of getting revenue from investors in the longer term. Professional services firms can sometimes also be brought in to offer *pro bono* expert advice about location issues before the prospective investor has decided where to invest.

Establishing priority among target companies

The government or the IPA has usually identified the main sectors to be promoted (see chapter 1, section 1.4), and diplomats should consequently focus their efforts on potential investors in these sectors. Priority among the target companies can be established through criteria such as:

- Market leadership and brand recognition;
- Potential customers and suppliers in the host country/region;
- Product and technology strengths;
- Potential competition in the host country/region;

- Internationalization;
- Financial performance; and
- Corporate social responsibility and sustainability policy.

3.3 Meeting with potential investors

Guidelines for company meetings

Meetings with company representatives lie at the heart of the process of converting leads into concrete investments. An embassy may get only one chance to visit a company and present an investment proposition. First impressions therefore matter. The secret of a successful meeting is preparation. The following steps are suggested:

- Find out more about the company. Identify the ownership structure and key decision–makers of the company. Establish what ties or contacts (if any) there have been between the embassy and the company. Investigate what the company does, which sector it operates in, whether it has invested overseas before and, if so, where. (More information on company research, including potential sources of information, is presented below);
- Request the meeting. The level in the company should be as high as possible: investment decisions are often taken by the owner, or by the board. Suggest the Ambassador as the interlocutor if necessary. The request can either be made on the phone, or if that is unlikely to work, the Ambassador should write a letter. Some companies will readily accept; others will not see the immediate value in this. Be persistent. Use your diplomatic skills. Intermediaries may succeed if a direct approach fails;
- Establish the objectives for the meeting. Work out what the company may seek to gain from it. These objectives will

help to decide the overall line to take. For a first meeting, it is useful to have a short sales pitch explaining the benefits to the company of locating in your economy. Practice the sales pitch! Decide who will accompany the Ambassador. Keep the delegation as small as possible.

At the meeting:

- Focus on building a good relationship with the company representatives;
- Use your judgment about when to make the sales pitch;
- Ask questions about the company's business strategy, its recent trading history, and any overseas investments. Use open questions, i.e. ones which will not elicit a simple "yes" or "no". The aim is to identify the company's operational requirements;
- Avoid making assumptions about the company. The purpose of the meeting is to find out more about it. You do not want to foreclose any options at this stage;
- If the meeting goes well, suggest further contact in the future.

After the meeting, be scrupulous about:

- Recording what was said;
- Informing all the stakeholders; and above all
- Carrying out any promises made to the company regarding follow-up.

Meetings in other locations

Meetings with companies do not have to take place at the company premises. A cost-effective way to meet a large number of companies is to attend a trade exhibition. These attract senior company representatives from particular sectors. The best approach is to find out, first of all, who is coming from the organizers, and then to fix up meetings in advance. Some embassies outsource this function to telemarketing companies who call large numbers of enterprises. Diplomats need to ensure that there is a suitable space or room for the meetings.

Sometimes it is possible to hold a client meeting at the embassy. Before agreeing to the meeting at the embassy, however, the diplomat should consider whether the building and its facilities would convey the right image. It might be better to hold the meeting at the Ambassador's residence or in a hotel.

Less formal meetings can take place at other events such as receptions or dinners. A short contact with a company at a reception can still offer the chance to make a brief sales pitch!

Doing company research

As mentioned earlier, a successful company meeting depends on good research. The amount of research required will depend upon the purpose of the meeting. The issues have already been outlined above. They surround the basics of who owns the company, who the decision–makers are, what the company actually does, and what its international footprint looks like. It also needs to cover any information regarding the company's future intentions.

Sources for this information include the Internet, commercially available databases, the local business press, chambers of commerce and trade associations, as well as the company's annual report (if any).

The embassy may have records of previous contact with the company: these should be looked for. Sometimes it is possible to have meetings at a lower level to collect data in advance of a more important meeting. It may also be feasible to obtain data filed with the local government, for example information about senior office holders, and some limited financial details.

Making sales pitches

At the company meeting, the embassy will usually make some form of a pitch aimed at persuading the company to look at the host market from an investment perspective, or if the meeting is with an existing investor, to expand. The nature of the pitch will depend on whether the visit is purely speculative, or whether it is connected with an active project.

For a more speculative visit, a short sales pitch may be all that is necessary. This should highlight the advantages of investing in the host country and be tailored as closely as possible to the perceived needs of the company. It should be punchy, and delivered orally, although the embassy may wish to leave behind a note recording the points. If the meeting is about determining the likelihood of a future investment by the company, it will probably involve a longer pitch, although the purpose of the meeting will be as much about listening as talking.

If the company has a project in the pipeline, it is likely that a longer presentation will be required. The material to be handed over will be dictated by the company's business requirements. Examples of such requirements will be found in chapter 1. Finding out what these are is the key to an effective presentation. The data is likely to be sourced from the IPA, but sometimes it is necessary to supplement this through local research.

Synergies with trade promotion[19]

Opportunities to discuss investment prospects may arise from company meetings intended for the purposes of trade promotion. Such meetings sometimes yield interesting pieces of information about investment plans. Apart from making a careful note, so that the information can be fed back to the IPA, it is also useful if diplomats participating in such meetings are equipped to have conversations about inward FDI. At a minimum, they should know the top-line messages and understand how an enquiry can be helped. The same applies in reverse: staff going to investment meetings should be able to speak knowledgably about trade promotion. Trade and investment promotion are separate activities, but they are closely linked.

3.4 Handling information

Databases

A good database is a valuable tool for investment promoters. Fortunately, a wide range of software packages is available to record contact details, and these can be shared within the same network so that staff can have access to the data. The main concern is, however, not so much the software as the need to ensure that staff are diligent in keeping the details up to date. This is a managerial, rather than a technological problem.

Embassies with substantive commercial sections may go further and equip themselves with a customer relationship management (CRM) system. Such systems enable embassies to record all interactions with their clients in a single database, and

[19] For more information on synergies between investment and trade promotion, see UNCTAD (2009a).

often to share them with the IPA. This has great benefits, because anyone dealing with the same client has access to the same data, regardless of their geographical location. The CRM system can also be employed for running reports which provide useful management information, thus helping the IPA to keep track of and control investment promotion activity. On the other hand, CRM systems can be expensive to procure, especially if they are to be customized, and getting staff to use them properly is often difficult at the outset. The payback is in the longer term.

When creating and maintaining databases, it is of course important to comply with any data protection laws of the country in which you operate.

Evaluation[20]

All the above techniques and tools are aimed at creating an environment in which potential investors might start to consider the host country as a possible location for an investment. Given limited resources, it is critical to get the balance right between them. This means that evaluation is essential: the embassy needs to weigh up the costs and benefits of particular approaches. For example, it could analyse the numbers of press cuttings produced over a year as a result of promotion activities, work out the size of the audience they have reached (based on the circulation of the newspaper), and establish the overall cost. It is especially useful to establish from enquiring companies what prompted the companies to approach the embassy, whether a press release, ministerial visit, news feature, or some other activity. Some IPAs and embassies outsource their marketing activities wholly or partly to public relations companies, including the evaluation of the results.

[20] Practical information on how to evaluate investment promotion can be found in UNCTAD (2008b).

4. Conclusions

In the highly competitive world of investment promotion, the diplomatic corps is a potentially important resource, especially for the many countries that cannot afford to maintain an IPA with overseas offices. With diplomats actively promoting the host country in foreign markets, chances of attracting FDI increase. A diplomat familiar with the local market and with broad private-sector networks in the country is a very valuable asset to an IPA.

Well-resourced embassies may be able to assign a staff member or a team specifically for promotional tasks (perhaps combining investment and trade). This way, significant time can be devoted to investment promotion. For smaller embassies, where the promotional activities must be shared with other duties, there is a risk that promotion will fall into the background. Where resource constraints prevent investment promotion, a channel should at least be established with the national IPA, so that any enquiries can be passed on to its staff.

Embassies with sufficient resources for investment promotion need to plan their activities ahead. If the national IPA does not require each embassy to have an *action plan*, it is useful for the embassy to draft one on its own. The plan should set ambitious but realistic objectives, specify available resources in staff and money, and outline the tasks which are to be carried out to achieve the objectives.

For some diplomats, whose careers may have centered on political work, investment promotion can seem challenging at first, but they can strengthen their capacity to carry out these activities through dedicated training. This should build on their existing skills, with the focus on using different marketing channels, managing relationships with companies, handling company meetings and collaborating effectively with stakeholders. After receiving such training, the best way for diplomats to further develop their skills is to get involved directly in investment promotion activities. Hopefully, they will find this a rewarding experience.

Annex: Action plan template

Inward investment action plan	
Name:	**Post:**
SWOT analysis	
Strengths	What are the strengths of the country as an FDI location seen from the market in which you are posted (e.g. good market access, political and economic stability)?
	What are the strengths of your embassy in promoting FDI (e.g. qualified and experience staff at the embassy)?
Weaknesses	What are the weaknesses of the country as an FDI location seen from the market in which you are posted (e.g. problems with key infrastructure)?
	What are the weaknesses of your embassy in promoting FDI (e.g. low budget for investment promotion)?
Opportunities	What are the opportunities for the country as an FDI location seen from the market in which you are posted (e.g. forthcoming signature of a bilateral/multilateral agreement that favours your country; concrete projects/investment opportunities)?
	What are the opportunities for your embassy in promoting FDI (e.g. organization of an important trade and investment fair in your duty station or a very active outward investment promotion programme in the country of duty)?
Threats	What are the threats to the country as an FDI location seen from the market in which you are posted (e.g. instability in the region, perception of corruption)?
	What are the threats to your embassy's work to promote FDI in the country (e.g. potential bilateral problems between the two countries or neighbouring countries)?

<table>
<tr><th colspan="4">Overall mission statement for investment promotion at embassy/duty station level</th></tr>
<tr><td colspan="4">Based on the results of the SWOT analysis, state how to use the strengths and opportunities to promote investment, taking into consideration the weaknesses and threats, both at country and embassy/duty station level.</td></tr>
<tr><th colspan="4">Objectives</th></tr>
<tr><td>A</td><td colspan="3">Describe specific objectives in priority order, i.e. what you want to achieve, not what you are going to do. Example: secure an investment project in the tourism sector.</td></tr>
<tr><td>B</td><td colspan="3"></td></tr>
<tr><td>C</td><td colspan="3"></td></tr>
<tr><td>D</td><td colspan="3"></td></tr>
<tr><td>E</td><td colspan="3"></td></tr>
<tr><td>Budget</td><td colspan="3">What is the budget over the 3-year period?</td></tr>
<tr><td>Staffing</td><td colspan="3">List in terms of full-time equivalents, e.g. 10% of First Secretary</td></tr>
<tr><td>Targets</td><td colspan="3">If the IPA or the responsible minister sets targets for individual posts</td></tr>
<tr><td>Activities</td><td colspan="3"></td></tr>
<tr><th>Research</th><th>Image building</th><th>Investor targeting</th><th>Other</th></tr>
<tr><td>This is what you are going to do in the area of research in order to achieve your objectives.</td><td>This is what you are going to do in the area of image building in order to achieve your objectives.</td><td>This is what you are going to do in the area of lead-generation in order to achieve your objectives.</td><td>This is what else you are going to do in order to achieve your objectives.</td></tr>
</table>

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