

Commercial Education Services. U.K. companies generally spend 2 to 4 percent of sales on training activities for their employees, suppliers, and customers. Increased integration in the manufacturing and service sectors means that companies require high standards of professionalism, both within the company and among stakeholders. Commercial education and training companies are locally based and generally work in niche areas for specific clients. Opportunities exist for companies with unique skills and training techniques, particularly in areas such as service and multicultural work environments.

Translation Services. With the advent of free trade within the EU customs union, small and medium-sized firms are doing more and more business in Europe. As a result there is a greater need for translation and language services for companies trading in Europe. With growing trade and business links with Eastern Europe, there is a parallel growth in demand for Eastern European language translation services. Increasingly, information technology is becoming a key element of translation services and information dissemination.

Franchising. A notable trend in the service sector is the growth of franchising. The main business sectors where franchises operate are cleaning services, film processing, printing and copying shops (now with fax/communications centres), hairdressing and cosmetics, fitness centres, courier delivery, car rental and mechanical services, and fast-food retailing.

Business Environment

The business and professional services market is extremely competitive. Some of the largest international service companies are based in the U.K., and most international firms have some presence in this market. Local capabilities are generally high, with companies seeking to develop and maintain professional standards in their respective sectors. Groups such as the Association of Consulting Engineers, British Consultants Bureau, and the Royal Institute of British Architects are active in representing their members' needs as well as promoting the sector. There are relatively few barriers to entry facing business and professional service firms

attempting to enter the U.K. market. Some professional groups (architects, engineers) do place constraints over the precise status of service professionals who are not qualified and certified through the U.K. This may influence the competitiveness of a Canadian firm pursuing business in this market.

While there is limited "loyalty" in service procurement, companies tend to obtain services from companies that are known to them and are local operators. Being "local" appears to have more to do with perception and accessibility than with physical proximity to the client. Most business and professional service firms are based in the south of England, close to corporate head-office locations, national government departments, and the international business community.

To be successful in the U.K., companies must have good local representation. Larger companies have subsidiaries in this market, while smaller firms tend to select a local partner that is involved in a complementary business. Two or more companies working together are able to promote a larger, more diversified international business to potential clients. This is a cost-effective means of entering the market and is often the only means available for SMEs.

Interest in higher levels of subcontracting and outsourcing of services and "non-essential" work has created considerable opportunity for companies that have been able to adapt to changed client needs.

The Action Plan

An essential component of success in the British market for business and professional services is market intelligence of business opportunities and the ability to submit prompt and competitive proposals. A local partner firm can considerably enhance the potential for success as well as adding value. To promote partnering between British and Canadian firms, the High Commission will prepare for Canadian businesses a capabilities guide which will identify a network of potential business partners in the service sector. The guide will be prepared using post-based material, external consultancy, and contact with the British government's

