

PODCAST TRANSCRIPT

How Global Victoria drives export success – with Global Victoria CEO, Gönül Serbest

01:34 Daniel: Hello and thank you very much for taking the time to be on Future Nation today.

01:39 Gönül: Thank you so much. It's great to be having a conversation with you today.

01:43 Daniel: So, tell us a bit about your background.

01:45 Gönül: Thanks Daniel. So, I guess a little bit about me. I joined the public service some 16 years ago now. But before I came into government, I used to do a lot of voluntary work in community radio working with ethnic communities and working to give them a voice. So after a number of years working in government, I've found my true calling, getting back into that international space, and have been working in Victoria's international engagement areas for about the last 10 years now.

02:15 Daniel: Yeah, okay, and you've been in various government departments. Is that correct?

02:19 Gönül: I've actually been in various forms of this department. So I've seen different name changes, now, obviously Global Victoria. But for me, it's always been about being in an area that's really dynamic. An area that represents the voice of the private sector within the government. And being in the area that I am in, it really allows me to have the best of both worlds. Working both in government but also serving the private sector.

02:45 Daniel: Yeah, that's fantastic. So Global Victoria had a name change from Trade Victoria. What does that mean?

02:51 Gönül: So as of the 1st of January 2019, we had a department change, so we were formerly the Department of Economic Development, Jobs, Transport and Resources. And we've now become Global Victoria from Trade Victoria, inside the Department of Jobs, Precincts and Regions. And I think the name Global Victoria really represents a mindset and a shift in understanding that global trade is more than just transactions, it's really about the way we engage with different communities and economies around the world. And really kind of puts that at the heart of everything that we do.

03:27 Daniel: Okay, so can you explain what is it exactly that Global Victoria does?

03:32 Gönül: At the heart of it, we are very much a trade facilitation agency. We have a global footprint of 22 trading investment offices around the world. And I like to think of us as a group of passionate, progressive and curious people. I guess in Global Victoria

we really value the big picture connections and the experience of businesses being on this export journey. When I think about what we do, we probably do six key things.

We build the skills and knowledge of people and businesses to help them achieve their global ambitions. There's a really strong piece in there about connections and the fact that we do have the largest footprint of any state government or territory with our 22 offices. That means that we can connect people to the right networks and the right business opportunities both locally and globally.

We very much position and promote Victorian businesses on an international stage. We champion in the interest of Victorian exporters, whether that be advocacy to the federal government around nontariff barriers or supporting issues around free trade agreements. And what's really important and a real shift for Global Victoria is the piece around pursuing strategic partnerships that maximise the trade objectives for Victoria and the governments broader economic, social and sustainability objectives.

If we think about why we do all of this, we're really here to grow the value of Victorian exports. This year we reached an all-time high of over \$55 billion worth of exports. And for the first time, we saw service exports take up 45% of that share.

We're also very much about driving and increasing the number of Victorian companies exporting. So Victoria is in a very fortunate position that we're growing the number of exporters faster than any other state across the country. But when you think about the raw numbers, companies across Australia, all states suffer from this, less than 5% of our businesses, exports. So for us, it's about how do we grow those small companies into becoming exporters? Diversity is obviously really important.

China is our largest trading partner. A very important source for us, followed by the US. Where else are there opportunities? How can we capture new and emerging opportunities? I know your podcast is very much around tech and the digital space, so how do we enhance the digital understanding and capability of Victorian exporters? And do we do those ourselves?

We're also here to make sure that all Victorians benefit from global engagement and that may be disadvantaged cohorts in our community as well. So everyone from regional businesses and a really strong emphasis on increasing the uptake of women in our programs as well.

06:14 Daniel: Yeah, definitely. I agree with that. The diversity is definitely key to the future. How important is globalisation for business?

06:22 Gönül: Absolutely. Well, we think that Victoria's prosperity, whether it be an economic or social sense really is centred around being connected with the world. And our job is very much around inspiring businesses to think about the possibilities of going global.

We know through some of our own evaluations that when companies are exposed to different ways of doing business or going offshore and participating in some of our outbound trade missions. Even those companies that weren't exporters before, 70% of them then become exporters. And so that's a huge lever that we have. But you become so enriched by having that experience and often you see companies, they may be

competitive onshore. But when you take them overseas and you take a bunch of architects or construction companies or engineers and they look at the size of the opportunity in China, they can see that their competitor isn't the company sitting next to them or standing next to them. There's enough in that for everyone and that creates a really good bond for the businesses here. I think government has a role to play in those collective and bringing companies together.

07:30 Daniel: Yeah, okay. What you're essentially saying is globalisation opens up for the opportunities, but it opens up for growth, which in turn enables the sustainability of Victoria and the state. Because if we're going to remain competitive in the long run, we've got to have products that scale to the globe.

07:48 Gönül: That's right. And products that can compete on a national stage and international stage, I should say. And so 80% of the businesses that we work with are SMEs, but everyone generally starts small. And it could be a real niche opportunity in a particular market that could then send your business into a complete and other space. And being open to that and being able to be responsive and agile and respond to different needs is really important. But I guess it keeps us really innovative. And we know that companies that export employ more people, they bring different values, and they bring a different mindset. So it's very much about how we do that. And it's definitely something that we encourage all businesses to think about.

08:35 Daniel: How does Global Victoria remain relevant and a leader in global engagement?

08:39 Gönül: This is something that we often talk about at Global Victoria and it's something that draws out a lot of conversation. We're very fortunate that Victoria has always been seen as leading Australia. When it comes to some of our programs, we opened the world to Victorian businesses, and we welcome the business world into Victoria.

We run a lot of inbound and outbound activity and we think being able to bring people in and have those conversations is really important. We learned so much from doing that. For us as well we liked to not so much compete with other states, but we like to compete with other countries that are doing really interesting things. So we talk to agencies like New Zealand Trade and Enterprise because we know that they have a lot to offer and we can learn from them as well. And we collaborate with partners, whether it is professional service firms. So we're always looking at how we can dial things up and how we can reach more businesses.

We'll soon be having a product coming online. This is an online diagnostic tool which will help us understand more about Victorian businesses, capture data, and be able to target our programs in a more tailored way. So the future for us is very much about having a highly customised tailored program for businesses. Because if business come to us, they don't have time to wade through loads and loads of pages of information or be searching for different websites. So we want to be able to understand their impediments for growth and for export. And then be able to do a very tailored solution for them.

So we're all about building the capabilities of businesses. But also being really smart

and intelligent about how we capture information and how we can start to draw some trends around what issues are facing business.

10:25 Daniel: Interesting, you mentioned prior that service has had a large increase and this is probably common around the world at the moment. Elaborate a little bit on that. What businesses are you seeing that are globalising faster and more than say a decade prior?

10:42 Gönül: So when we think about our service exports, obviously international education is our number one service export followed by tourism. These are really interesting services because people come and experience your city, or your state and they almost become ambassadors when they return home. So it's very much on us to make it a really good experience for them while they're here. But we see more and more in the tech space, design and architecture services. And you know, when we think about some of the markets that we're trying to build really strong relationships with, whether it is Southeast Asia or other parts of Asia, whether it be India. These cities are urbanising so quickly and they're very much reliant on people that have led in this space.

I think Victoria has a lot to offer in the services around liveability. So whether it be clean technology or whether it be design, engineering, master planning for big cities. I think we have a lot to offer, but we have a lot to learn as well. We have a much smaller population, so our company going over there, there's a reward in it for them as well because they get to see how people do things differently and how people have to adapt to different conditions.

11:53 Daniel: Yeah, that's interesting. In relation to Victoria and our export, specifically within the tech sector. Are you noticing any trends in the segments of technology that we have more of a competitive advantage with? For instance, MedTech or FinTech, you know, there are countries around the world, we know Israel for instance, is now known for its cybersecurity. So where do you think Victoria, maybe in the next 10 years, will be known for with our high-tech exports. Where do you think it's headed?

12:25 Gönül: So I think definitely the MedTech and the Biotech is an area where Victoria has a natural advantage. We have a biomedical precinct down at Parkville, this government and our department, in particular, is very much around how we leverage these amazing facilities and the research and development that happens here. So I think that is definitely something which we can build off. Every year in the US there's a big conference called the Bio Conference. This year we had about 80 Victorian companies heading over there, and the numbers continued to grow.

You mentioned Fintech as well and that is an area that we're seeing a lot more interest and opportunities for Victorian businesses and startups in that space. So I know you had an interview with Timely recently, that's a great Victorian story. Airwallex is another one. So there are some amazing Victorian businesses that are in this space. And I guess the other one if we think about education, EdTech is probably another area where we could further develop, and I guess we have just such a natural strong base to do that.

13:32 Daniel: One of the areas of technology that most people are quite aware of would be eCommerce. Recently Alibaba set up their office in Victoria, which was

fantastic that they chose Victoria and it's great for the economy. What does that actually mean for Victoria? And do you think Victoria can be competitive in the e-commerce space?

13:51 Gönül: Absolutely, eCommerce is an area where we see Victorian businesses can start to dip their toe in the water and understand and test their products in another jurisdiction. And the China opportunity has been huge. You mentioned Amazon. It was great to see them set up their distribution centre out in Dandenong, recently. But Alibaba, setting up shop here was a really important signal for us in terms of they see great products and services here. And we've seen great opportunity for Victorian food products to go into China.

And eCommerce and cross-border trade just mean that you don't need to have a physical presence there necessarily to be able to do business.

The Chinese are very sophisticated consumers. I think having that strong international student community here as well has really driven the success of Alibaba here

There's a huge Daigou community here. We've seen brands like Swisse become the number one product on the Alibaba platform during their Singles Day. You have big companies like Swisse and then you'll have companies like Goat Soap, which is a smaller business here in Victoria, they do amazing sales.

So I think the Victorian Government is very alive to the opportunities of eCommerce. We set up a Victorian eCommerce Network to bring leaders and companies together just to have a conversation to share experiences, what worked for you, what didn't work for you, which platform should I be on? How much will this cost? You know, how do I do the marketing?

But even those payments systems can be hard to navigate. Do I use Alipay? And then you have WeChat and other platforms. So there's a lot of really interesting things happening in this space. And then we have companies like Healthmore who are major distributors and have just recently launched an initiative called Expand-Go where they're really targeting the Daigou community here to sell their products into China. So huge opportunity, not only for China, we're seeing more and more interest for Southeast Asia. So for us, it's now our understanding of what those opportunities in places like Indonesia and how we can support Victorian businesses there as well.

16:00 Daniel: Wow. I didn't realise we had such a large export of successful products into China. That's fantastic. So, we know China is a large opportunity. A lot of businesses I speak to are either trying to get into the market or want to know more about the market.

Can you give us an example of a company that you might've worked with that has successfully entered China? And I say successfully because a lot of companies have unfortunately failed. And it's either due to cultural issues or not knowing the market. It would be great to hear from your side what a successful entrant into China looks like and what they went through.

16:38 Gönül: We work with lots of companies. Like I said before, you know, China is obviously one market that a lot of companies have their eye on. A recent example is a

company called Elliatt. This is a Victorian fashion label. They're currently stocked in boutiques and majors across Australia, the US, Europe and the Middle East. But they recently opened their first stand-alone store in Shanghai and that was about a year and a half ago.

For them they saw the opportunity, their products were a nice fit. We work with them in terms of showcasing them locally. So we worked with them during the Virgin Australia Melbourne Fashion Festival. We invited buyers from China to their show. They were on a platform called VIP.com where they were live streaming and being able to see the products as they came down the runway and be able to shop pretty quickly. And it was great to see that some of their SKU's sold out overnight, which was fantastic.

This Company has been really successful because they've been able to have a Chinese partner and someone that really understands the landscape there. So it's a really great kind of coming together of understanding the Australian market, but also understanding the market in which you're entering. And they've been great in being able to really leverage key opinion leaders in China to collaborate on particular lines. And so they have celebrities over there that have millions and millions of following. Followings the size of the population of Victoria. So that's been really successful for them. And their success has meant that they've now launched into establishing another business called the Australia Lifestyle Agency, which also helps other Australian brands into entering China and being able to localise their products and tailor their marketing to support their efforts.

So I think for us, it is about understanding the strengths that the company has, being able to elevate them, and really kind of back them in and showcase their products not just to a Chinese audience but to international audiences.

18:44 Daniel: Yeah, the common factor I'm hearing here is communication and relationships are key. I mean, I myself have done a lot of business in and out of China and it's all about the relationship. It's all about establishing Guanxi.

It seems to me that that's where Global Victoria really steps in, in getting those relationships established, built and nurtured. So there is trust with the brand and you go down the right channels rather than using channels that you may think will work. I know personally myself and you would know as well, that the Chinese need to have trust when they do business with anybody. So do you see yourself as more of a relationship builder than let's say a business strategist? Is Global Victoria more about just establishing those relationships?

19:30 Gönül: Absolutely. I mean, you have to be committed to marketing. You need to be serious. And I think the market that you're working in needs to know that you're committed and you're there for the long haul. So if we take China, for example, we have five offices in China. We are in Shanghai, Beijing, Nanjing, Hong Kong and Chengdu. So we have two sister state relationships. Our relationship with Jiangsu province is 40 years old this year. So it's very much about taking a long-term view, in terms of the relationship and understanding that these things take a long time to build. And Victorian businesses I think are not in it for quick wins. It's about a long-term sustained relationship, absolutely. And that's very much everything that Global Victoria stands for. And we just hope to be able to continually build this network of people that have connections with the world.

20:29 Daniel: Yeah. Wow, that's fantastic. Global Victoria is global, however, yourself, what's your favourite country?

20:38 Gönül: Whoa. It's like you can't pick your favourite child. That's a really hard one. I like different cities for different reasons. I was recently in Shanghai and that city is amazing. I feel such energy and it is so dynamic and diverse. I often refer to it as a real-life Gotham city. Like it's just so interesting. It's so captivating. I actually have a lot of love for that city. Equally, I love Mumbai for its colour and diversity and just constant stimulation. So there's so much that I love about so many different cities. I think, yeah, most of my work travels are to Asia, and that's I guess where a lot of our companies are seeing immediate opportunities. But I've just booked a quick getaway to Istanbul, which again is another, you know, I love big cities, so I love to be able to sit back and watch the world go by.

21:40 Daniel: You've got a tough job, I tell you what.

21:42 Gönül: Yes, I'm very fortunate to be able to work with businesses and be their partner on the ground. You mentioned before how do we see ourselves? Often we joke at Global Victoria that we're business matchmakers, so we are very much about bringing the right opportunity to the right people. And businesses know their business much better than we ever will, but it's just being a trusted partner on their export journey.

22:13 Daniel: So, being CEO of Global Victoria must be challenging. You've got, what is it, over 200 staff in total? Tell us what's it like managing the teams here and what do you do, that you see yourself as being different or advantageous?

22:28 Gönül: Yes, so we do have about 200 staff across Global Victoria. 90 of them offshore across our global footprint. So I think for us at Global Victoria, it goes back to building that common identity and something that we all are really passionate about. I think the name change for us has given us a real purpose again to get out there and talk to businesses. Because people are like, "oh, tell us a little bit more about Global Victoria, tell us what you do?" And for us, it's like I said before, it's very much around inspiring companies to think about those possibilities, and then being their partner when we take on the world pretty much. I'm very fortunate, I think I literally have the best job in government and very fortunate to be working with such amazing people that bring really different skill sets.

We have people that are working with us that are from all parts of the world as well, whether they're in our international offices or local offices here. So it's just, there's never a bad idea. We like to really push the boundaries. We're probably an area that can have more of an entrepreneurial spirit, and companies expect that of us. You know, we ask ourselves daily, how we are going to remain modern and relevant. What's going to push us to do more. A very open culture and just encourage everyone to continually be curious about the businesses that we work with? But also making sure that we're bold and passionate when it comes to what we do. So I say the key attribute for us as a team is bringing that passion to every interaction we have with businesses.

24:04 Daniel: Wow. That's a very progressive government department that you have here, and I love that you really push that entrepreneurial spirit within the department. I

think that's very important for businesses in Victoria that are going global to have that entrepreneurial partner.

24:19 Gönül: And honestly, we have our team on our website, their real phone numbers, their real email addresses, and so we're very open and accessible. We encourage businesses to reach out to become part of our world, and together we can take it on.

24:35 Daniel: Yeah. Fantastic. Gönül, your job requires you to go to many different countries. It must be very challenging for you to adjust to each country and each country's way of doing business, which are all different. How do you manage that and how do you get your mindset right for each country? What's your secret?

24:56 Gönül: I think it's just being really open, not going in with set expectations, asking a lot of questions. Going back to that point around being really curious and being really willing to learn. I mean, often we'll take trade missions because we're trying to sell products or services. But at the same time, we're trying to build friendships and relationships and we feel like we can learn so much from those markets as well. You know you need to spend time in those markets that it all comes from experience. But just having an open mind, being really adaptable, having conversations and not being afraid to kind of put yourself out there.

I remember going into India, I spent quite a bit of time there. And coming from Australia you probably sometimes feel like those questions are very personal. So someone will be asking you, are you married? Have you got children? What's your highest school qualification? How long have you been doing the job that you're doing? How much money do you make? I think people are just trying to find a connection with you. So it's not that people are trying to pry, it's just I think certain cultures want that people connection. And if we're not willing to be open and share, I think there are a lot of other companies from different parts of the world that are willing to court places like India. So it's kind of being open, sharing and just kind of immersing yourself and just really enjoying the experience as well.

26:30 Daniel: What about a book that you could recommend, something that has inspired you?

26:35 Gönül: Recently a really close friend of mine gave me a book. It's called Meditations by Marcus Aurelius who was actually a Roman emperor and philosopher. I don't often have that much time to read as much as what I would like, but what I love about this book is that they're thoughts or reflections. So every day, I keep it on my bedside table and I just open it up, random page and there'll be something that pops out that kind of just gets you thinking about things in a different way. So I'm actually really enjoying that process of not feeling compelled to read something from beginning to end, and kind of being able to pull something out every day. So that's been really interesting. I'll probably go back to certain parts of it, but I think having something in the morning that just kind of sparks a different thought has been really good and that was a perfect gift that she gave me.

27:29 Daniel: Yeah, fantastic. I have to look into that book. That sounds good.

27:32 Gönül: Yes.

27:33 Daniel: All right, well, that brings us to the end of our episode today. Thank you again Gönül for taking the time today to be on Future Nation, telling us your story and talking to us about Global Victoria.

27:43 Gönül: Thank you so much. It's been a pleasure having a chat with you. It's something that I care very deeply about. And so for all those businesses that may be listening today please be sure to reach out to us. We are at global.vic.gov.au, and like I said, we're here to be your partner in your export journey. So, thank you very much for your time and look forward to hearing more of your podcasts.

28:07 Daniel: Thank you.

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