



**Interview with Guillermo Barredo Gallarza, Consortium Manager
for the Santander Global Metal (SGM) Group**



Q. What is the SGM group?

A.

“The SGM consortium is made up of 8 companies operating in the Metal-mechanic sector (e.g. automation, assemblies, casting, welding) with about 800 employees in total. Together they cover about 70,000 m² of surface for manufacturing and other business activities. They have all joined the SGM group to jointly boost their ability to access international contracts and business opportunities.”

Q. Why was the SGM group set-up and by who?

A.

“SGM was set up by SODERCAN, the organisation in charge of economic development for the Cantabria region in Northern Spain. The aim of the SGM consortium was to boost productivity in the region through internationalisation, something which can often be difficult for individual companies. Cantabria’s smart specialisation strategy focusses on the region’s well-established industry sectors which includes the metal industry. There are plenty of benefits to a consortium approach; it encourages a co-operation culture between companies which facilitates innovation and development activity, reduces the costs and risks associated with international trade, as well as promotes a wider product and service offer from Cantabrian companies to present to potential customers in international markets.”

Q. How did you go about setting up the consortium?

A.

“We started by contacting companies in the sector and following a series of meetings, invited the final group of companies to sign up. We provided initial funding to help the consortia get off the ground and develop its early activities. Consortia are awarded up to €70,000 to form a legal entity, set up financial systems, appoint a manager and start to market themselves internationally.”

Q. How does the consortium operate?

A.

“The cluster is overseen by a manager who assists with day to day activity and provides representation in different international markets. The manager often attends trade shows, invites inbound international delegations to the regions and ensures that the consortia members are kept up to date with any new developments.”

Q. Tell us about the consortium international activity:

A.

“The key way the SGM consortium enables international activity is that by working together the businesses gain access to contracts that they wouldn’t have been able to deliver on their own. The consortium is usually able to provide a ‘one-stop-shop’ solution to potential customers from consultation and design to manufacture and installation. Within the consortia we have a few key link people who are able to collate information rapidly in response to tendering and contracting opportunities.”

Q. What were the main challenges associated with setting up the SGM group and how did you overcome them?

A.

“When setting up the SGM Consortium the biggest barrier was developing trust between companies which hadn’t really been used to working in collaboration with other businesses. It took a while to agree how things would run and what part each business would play in the activities. We quickly came up with mutually agreeable rules of engagement and regular contact between the group members has overcome this problem.”

Q. What would be your advice for other regions wishing to set up an export consortium?

A.

“The best advice for another region wishing to replicate the SGM consortium would be that the company selection process is the most important factor in a consortium’s success. Take your time to invite complementary businesses to sign up; it’s crucial to have companies which are happy to work with each other and which are keen to internationalise. It is also important to play to your strengths, consider what your region can offer which isn’t necessarily available elsewhere. Lastly, good communication between the companies and the cluster management is also essential.”

Q. How do you measure the success of the consortium?

A.

“Success is measured by looking at the number and value of new export orders for the group, most of which would not have been accessible without the formal structure of the consortium. Of course, the companies would soon let us know if they weren’t happy with the group so their continued commitment to the group shows how valuable it is for SMEs.”