

# The Swiss Business Climate... sunnier than you think !

Webinar organised by the Kaunas  
Chamber of Commerce, Industry  
and Crafts - 14.01.2021



PRODIGIO

# Short introduction on Prodigio and on our guest speaker Michel Patteet



Matterhorn Mountain in the Canton of Valais

# About Prodigio

- Business development company
- Created in January 2020
- Goal: helping European companies to enter the Swiss market
- Owned and managed by Michel Patteet and Johan Ribaux, combining 25 years of experience in trade promotion and business management
- 2 offices in Switzerland: Zurich (German speaking part of CH) and Neuchâtel (French speaking part of CH)
- Some sectors on which we focus: food & beverages, lifestyle & furniture, IT & new technologies, life sciences, health & wellbeing, micro and nano-technology, cleantech

Could you present Switzerland in brief?



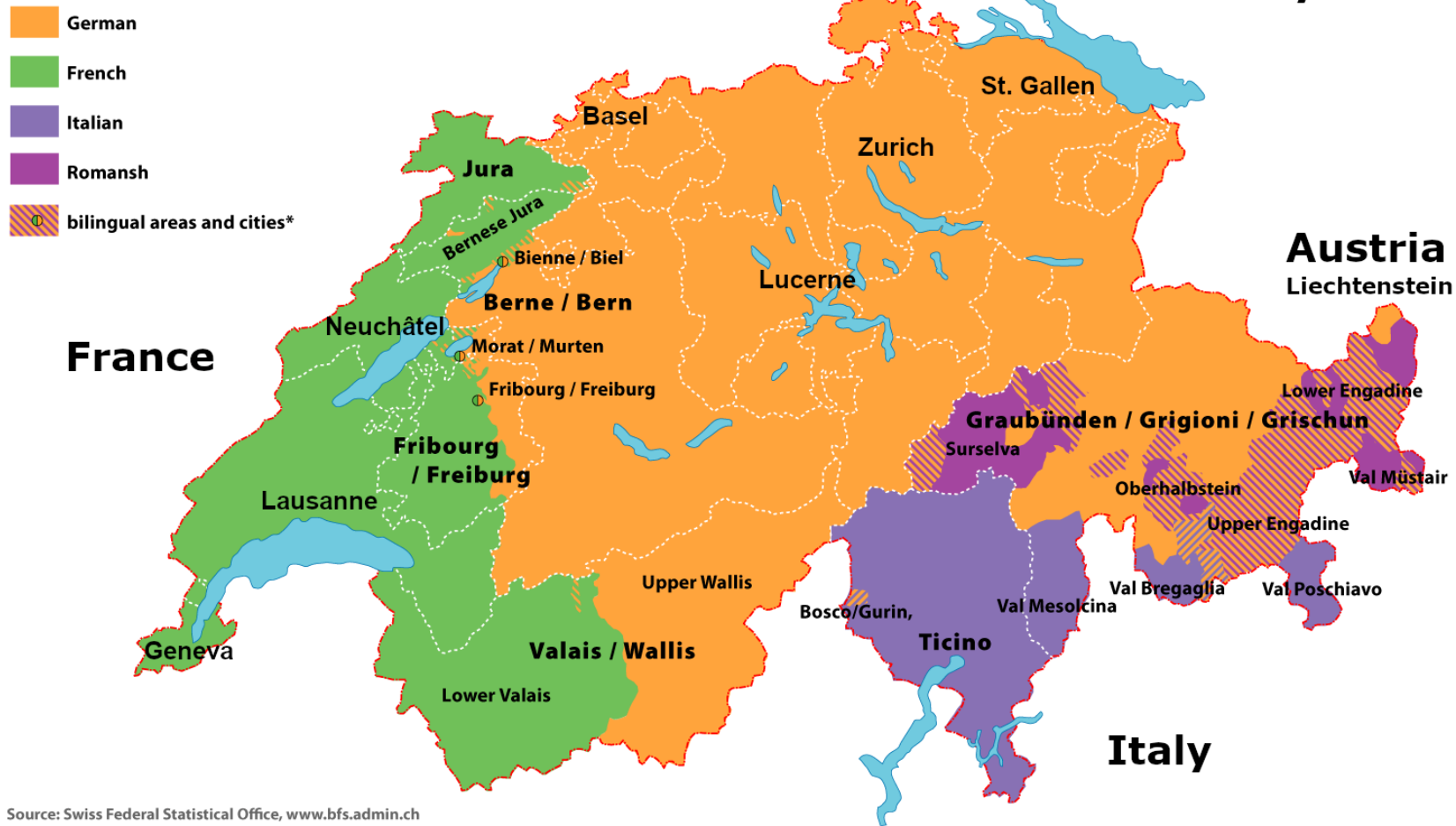
Swiss Federal Parliament in Berne

# About Switzerland (1)

- First origins of the Confederation in 1291
- 26 cantons
- 27 Governments: 1 federal + 26 cantonal (having a high degree of legal and fiscal autonomy)
- Switzerland is not an EU-member (but is part of the Schengen area)
- Official currency: Swiss franc (1 EUR = 1.08 CHF)
- Population: 8.6 mio
- 4 official languages (German 63%, French 23%, Italian 8%, Romansh 0,5%)
- 5 neighboring countries: Germany, Austria, Liechtenstein, France, Italy

# About Switzerland (2)

Geographical distribution of the languages of Switzerland



Source: Swiss Federal Statistical Office, [www.bfs.admin.ch](http://www.bfs.admin.ch)



What are the current dynamics  
of the companies in  
Switzerland?

Old town in Zurich

# Current business dynamics in Switzerland (1)

## ➤ Present situation:

- Decrease of average number of infections over the last weeks (around 3'200 cases per day)
- Number of new hospitalisations slightly decreasing (around 100 hospitalisations per day)
- Even if we notice a decrease of mortality over the last days, hospitals are under pressure

## ➤ Federal measures for the whole of Switzerland:

- Wearing a mask on public transport and at crowded places in public
- Closing of the restaurants and non essential shops
- Public and private gatherings with more than 5 persons are forbidden

## ➤ Additional local measures are applied by each of the 26 cantons

## ➤ Travel from Lithuania to Switzerland:

- Lithuania is on the red list of Switzerland : quarantine of 10 days is required for Lithuanian visitors
- Switzerland is on the red list of Lithuania : quarantine of 10 days required for returning visitors from Switzerland, except for people who show a negative test



# Current business dynamics in Switzerland (2)

Macro economic figures	2018	2019	2020	2021
<b>GDP growth</b>	+2.3 %	+1.4 %	-3.3 %	+3.0 %
<b>Private consumption</b>	+0.8 %	+1.4 %	-4.4 %	+4.1 %
<b>Exports</b>	+5.0 %	+4.8 %	-6.1 %	+3.8 %
<b>Investments</b>	+1.2 %	+2.3 %	-3.5 %	+3.3 %
<b>Unemployment</b>	2.5 %	2.3 %	3.2 %	3.3 %
<b>Inflation</b>	+0.9 %	+0.4 %	-0.7 %	+0.1 %

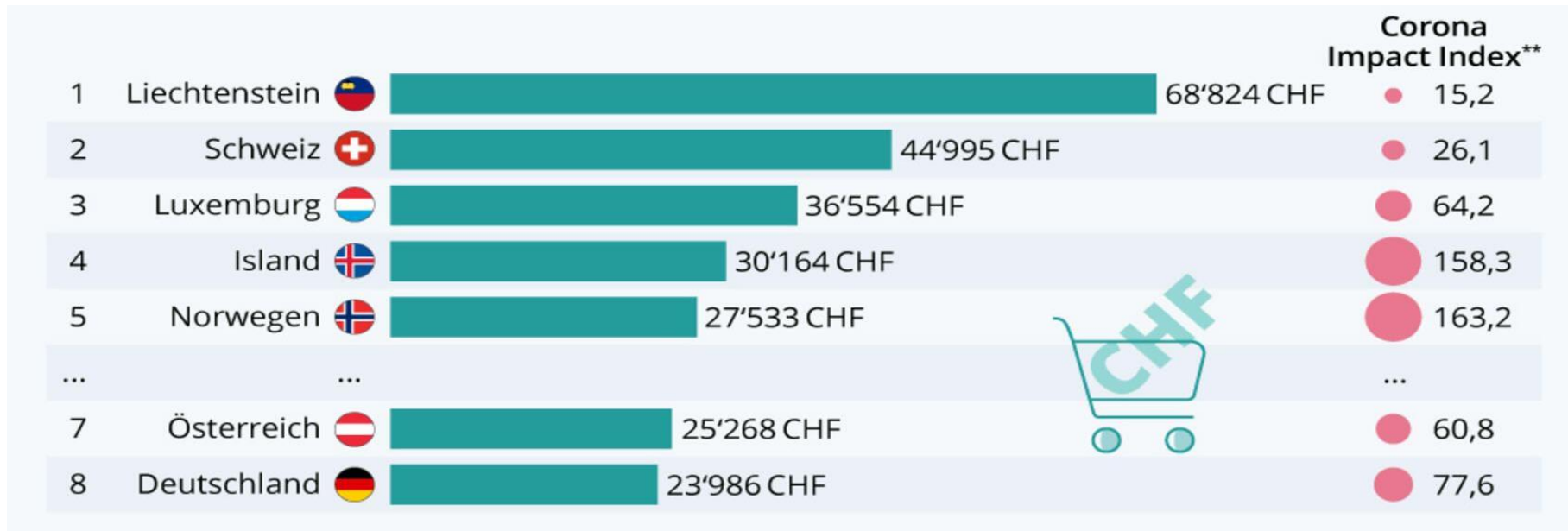
Source: Swiss State Secretariat for Economic Affairs (SECO), 15 December 2020

# Current business dynamics in Switzerland (3)

- Business dynamics inevitably impacted by the current situation
  - Mainly negative impact : tourism, restaurants & bars, consumer goods industry
  - Sometimes positive impact : pharma, e-commerce, IT (digitalisation)
- The Swiss Government wants to preserve the economy : no total lock-down and no borders closed
- Thanks to the Government's financial support (0% loans, system of short-time working), companies are more confident
- Swiss companies are searching to continue their activities (health measures, digitalisation) and find new opportunities (no unique strategy until now)

# Current business dynamics in Switzerland (4)

- Being familiar with the measures, consumers are less scared
- Purchasing power in Switzerland remains second highest in Europe: consumers can afford more than 3 x as much as the European average



(Corona Impact Index\*\*: 100 = European average, source: Statista 5 November 2020)

How are Swiss companies looking for new partners in absence of trade fairs?



Rhine River in Basel

# Need for alternative ways of doing business

- Trends towards more and more digitalisation (virtual meeting, home office, e-commerce)
- Virtual fairs are replacing physical fairs
- Online platforms
- Webinars and online events
- There is still place for physical solutions: being represented by a local person on the market (importer, distributor, commercial representative, consultant)

A photograph of the Jet d'eau fountain in Geneva, Switzerland, set against a backdrop of a city and mountains at dusk. The fountain's water is captured in a blurred, vertical column, reaching high into a sky with soft, golden clouds. The city buildings below are illuminated by the setting sun, and the water in the foreground is dark and rippled.

In which sectors do you see opportunities for Lithuanian companies?

Jet d'eau fountain, Geneva

# Bilateral trade relations Lithuania - Switzerland

➤ In 2019, Lithuania exported for 200.4 million USD to Switzerland

<b>Products</b>	<b>2019 (in million USD)</b>
<b>Furniture</b>	44.7
<b>Wood products</b>	30.4
<b>Clothing and accessories</b>	21.4
<b>Textile materials</b>	16.1
<b>Pearls and precious stones</b>	10.1
<b>Optical and precision instruments</b>	10.0

# Opportunities for Lithuanian companies

- General remark: Switzerland is an ideal test market
- Sustainable products and technologies
- Bio products: in 2019, 10,3 % of all food products were bio based, generating a total turnover of 3 billion EUR, +5,6 % compared to 2018 (source: Bio Suisse)
- Subcontracting: pharma, chemicals, machine industry
- Innovation: the Swiss are sensitive to innovative products
- IT products and solutions (digitalisation)



A scenic view of Lugano Lake with a palm tree in the foreground and a town built on a hillside in the background. The sky is clear blue, and the water is calm. The town is densely packed with buildings, and the mountains in the distance have some snow on their peaks.

What kind of approach towards  
Swiss potential partners would  
you recommend to Lithuanian  
businessmen?

Lugano Lake

# How to approach Swiss potential partners? (1)

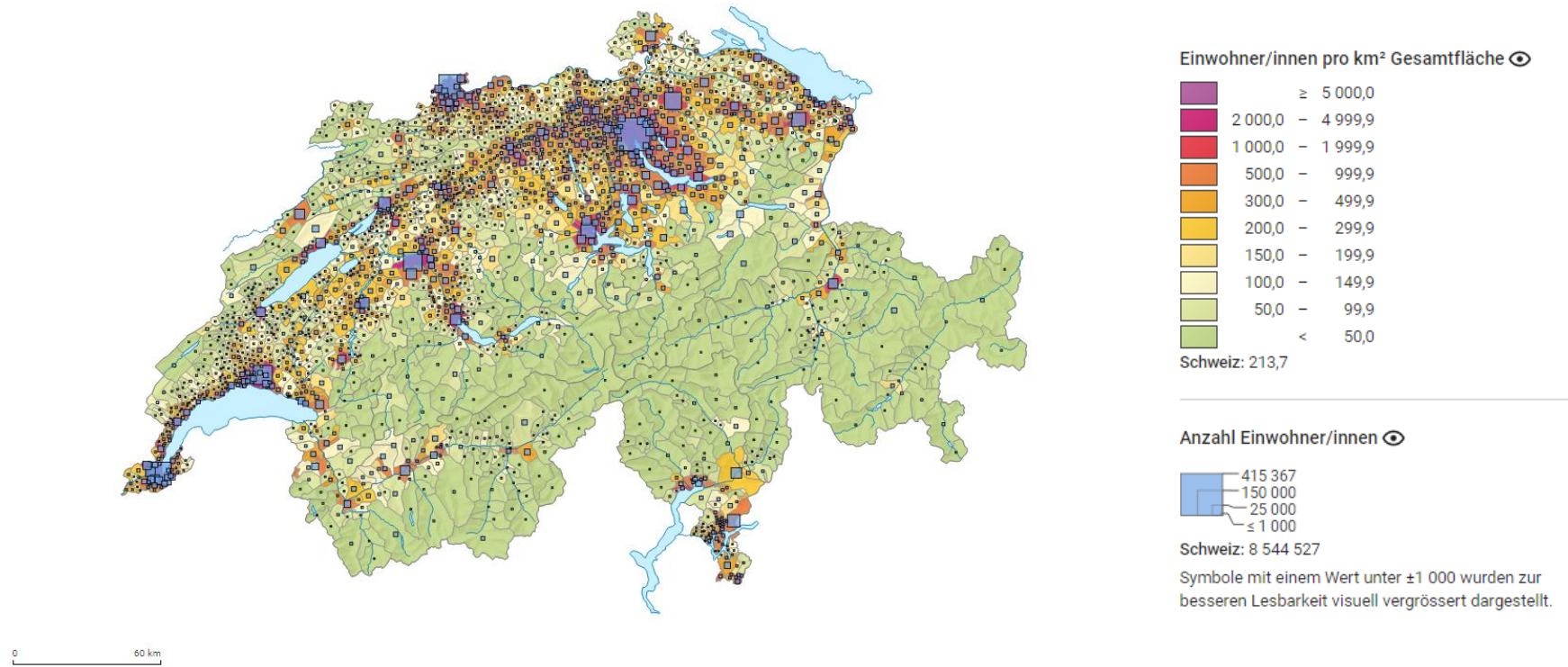
- If you are an SME, you have a big advantage!
- Why? You can talk from equal to equal
- Some figures:
  - 99.7% of all Swiss companies
  - 2/3 of all the jobs
- Swiss policy in favour of SMEs
- This helps you to build trust and set up a long-term partnership

# How to approach Swiss potential partners? (2)

- Do a check-up of possible tariff and non-tariff trade barriers for your product (Switzerland is not a member of the EU): could have an impact on your price-setting
- Define realistic target prospects in terms of volume and expectations
- Show the references you already have, perhaps a Swiss company with a branch in Lithuania or a foreign company well known in Switzerland
- Lower the threshold as much as you can, e.g. by adapting your marketing and communication tools (website, e-flyer)
- Take into account the cultural differences, influenced by the 3 main languages: German, French and Italian, reflected in fields like gastronomy, fashion, decoration and literature.

# How to approach Swiss potential partners? (3)

➤ Where is the geographical potential? Out of a total of 26 cantons, 63% of the Swiss population lives in 7 cantons, on the so-called “Plateau”, the diagonal line on the map



When you go on business trip to Switzerland, can you share some tips?



Castle of Neuchâtel by night

# Prospection tips (1)

- Formal communication (don't use first names)
- Rather formal dress code
- Avoid talking about personal matters: professional context is quite separate from private life. Reserved attitude is considered a virtue
- Arrive well prepared (Swiss will do the same)
- Communicate fully, clearly and transparently
- Avoid appearing pushy (Swiss are slow decision-makers)
- Be on time for your appointments!

# Prospection tips (2)

An example of Swiss punctuality...



Sicherheitsdirektion Kanton Zürich  
**Strassenverkehrsamt**

Uetlibergstrasse 301, 8036 Zürich

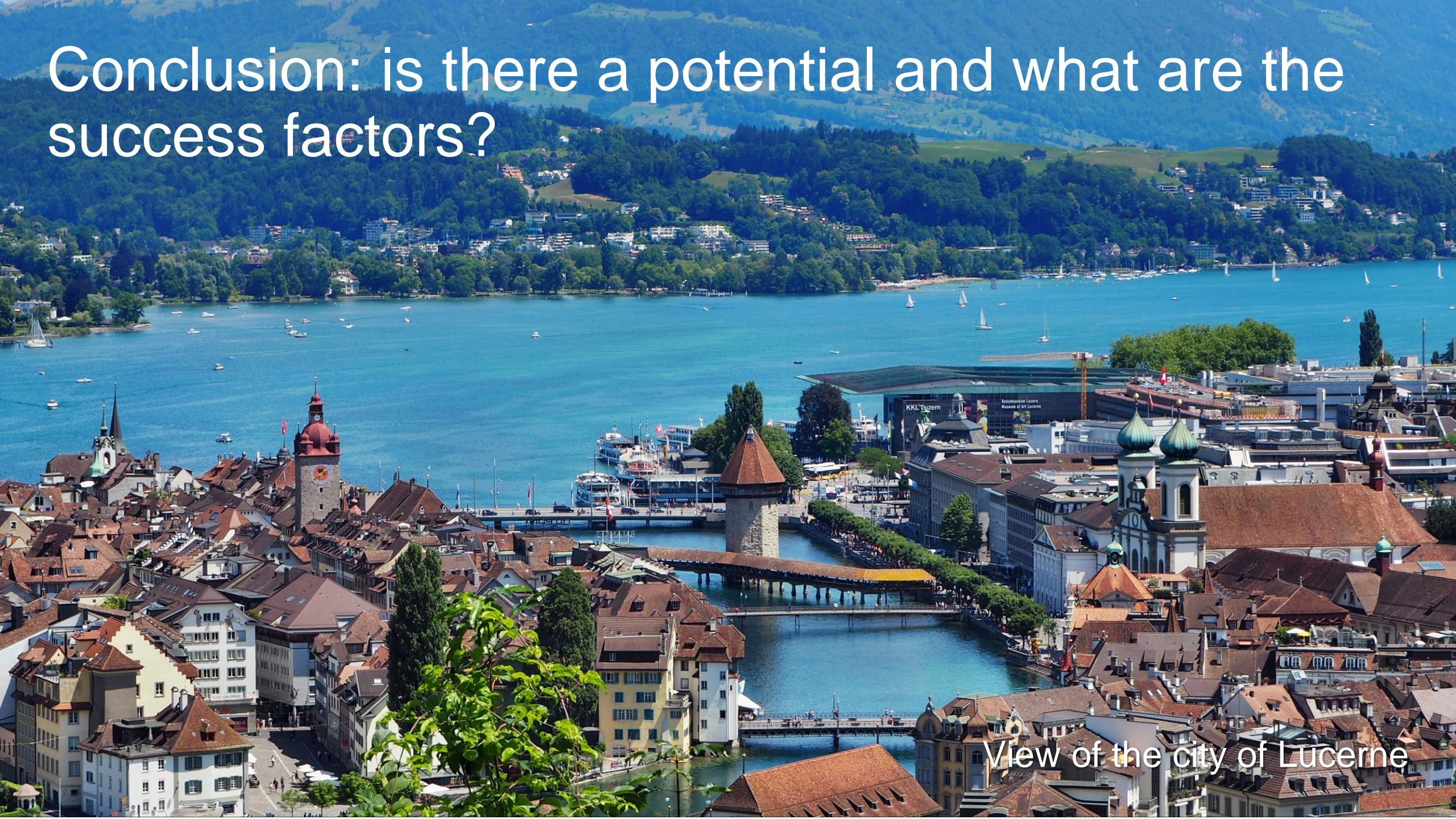
## Vorladung zur Einzelprüfung vor der Zulassung,

Sehr geehrter Herr Patteet

Wir erwarten Sie mit Ihrem Fahrzeug fünf Minuten vor dem Prüfungstermin bei der Eingangskontrolle.  
Bitte beachten Sie die entsprechende Wegweisung.

Prüftermin:	Montag, 21. Oktober 2013	<b>15:34 Uhr</b>	Prüfbahn 6
Prüfort:	Strassenverkehrsamt Uetlibergstrasse 301 8036 Zürich		
Bemerkungen:	Originalpapiere müssen bei der Prüfung vorhanden sein.		

Conclusion: is there a potential and what are the success factors?



View of the city of Lucerne



# Conclusion (1)

On the one hand

The Swiss market is demanding, due to:

- Trade barriers (tariff and non-tariff)
- High quality expectations
- Slow decision-making process
- Innovation factor
- Strong competition

# Conclusion (2)

On the other hand

It is a very interesting market where success = a combination of :

- High quality product or service
- Still non-existent or at least competitive with an existing product or service
- References and solid documentation adapted to the Swiss market
- Very strict compliance with agreements and delivery time
- Good after-sales service and customer follow-up

# Conclusion (3)

## RESULT

Once one has taken hold:

- You get a loyal and long-term relationship
- Based on strong confidence
- Where price is often of secondary importance
- Without payment problems

# Questions & Experiences shared by participants



Castle of Oberhofen, Thoun Lake

Thank you for your  
attention and see you in  
Switzerland!



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