

## **Are you ready to export?**

### **70 questions your company needs to ask itself**

Some companies are simply not quite ready to take their products or services onto the International stage. We would like to ensure that your company is ready and that the overseas market is ready for your company. This guide provides some subjects for thought and a series of questions which you should ask yourselves. We are always happy to discuss how you may better prepare yourselves and we can provide guidance on the important areas that your company needs to strengthen or improve in order for you to enjoy export success.

### **What does it take to be ready for international business?**

To have a successful international business, you need a product or service which is in demand in overseas markets, as well as the necessary commitment, resources, skills and information to support sustained exporting activities over the longer term.

Exporting is one of the most challenging business activities you will ever take on. Exporting is complex, time consuming and requires strong management commitment. In the initial stages management are usually diverted from existing domestic business, but for many companies, this short term stress will provide longer term rewards. The road to export success is fraught with risks and barriers around every turn. You will need to deal with radically different environments, communicate with diverse cultures in new languages, overcome a multitude of new laws and political regimes, face the prospects of competing with the very best exporters and producers around the world, and absorb a variety of costs that are measured in Euros, Pounds and many unfamiliar currencies. There is a mountain of documentation to complete and you may even face legal action from authorities if you fail to get your customs, VAT and other matters in order. You will be pressured from home and abroad and at the end of the dark tunnel there is always still the risk of non-payment.

We say these things not to scare you away from exporting but to ensure you have a realistic framework for making the right decision (to export or not to export?). You *must* be aware of these challenges and you *must* be willing to endure the cost, time and effort involved in overcoming these challenges if you want to break in to these new markets. Exporting, because of its global nature, is often seen as being glamorous. Also, because of the apparent size of the global market, some companies believe that entering export markets must be easy. For these and other reasons, many companies turn to exports as a means of

salvation from small and highly competitive local markets. These are the worst reasons for exporting. On the other hand, if you do endure and succeed, you will be a better company for it. You will become a global competitor and your local business will also flourish as a result.

To achieve success, you need to have a plan and remain in control of your business, and not let the business control you. It should only be attempted by companies that have the resources to tackle these foreign opportunities - exporting is not for everyone. Deciding whether you are ready to export or not can be quite difficult. For this reason, we have included an export readiness questionnaire below that will provide a good indication of whether you are ready to export or not. The objective of this questionnaire is to gather information for us to obtain an overall picture of your company and of your business priorities in order to propose Business Development and other services that fit your needs.

To help determine your company's potential to expand into export markets, ask yourself the questions listed below. If you can respond positively to many or most of these challenges, then you are ready to start planning to export. If you are weak in *any* of these areas, you will need to focus on addressing the areas of weakness before you tackle the export market!

*Please complete the following questionnaire.*

## **Being export ready**

### **MANAGEMENT**

1. Is your company's senior management absolutely committed to developing export markets as a new or expanded area of activity and able to dedicate staff, time and resources to the process?
2. Has your management team attended export training or solicited export advice from appropriate experts in this field?
3. Considered how you will address the various export risks that you will face?
4. Do any of your current managers or staff have export marketing, logistics or sales experience?
5. How long would your management be willing to wait to achieve acceptable export results?
6. Will your export manager be able to call on the support and cooperation of other key individuals in finance, production, technical support, and shipping? Is everyone in your company prepared to work toward the same goals?

## COMPANY READINESS – current position and commitment

7. Is your company established and profitable in its domestic market?
8. Do you compete at a national level in your home country and need to expand your sales?
9. How do you sell and distribute your products in the domestic market?
10. Does your company enjoy numerous sales channels in its domestic market?
11. Are you facing numerous threats in your domestic market?
12. Are competing quite successfully against imported products?
13. Is your company prepared to make the commitment of money and people for the often long-term development of export markets?
14. Will you be able to commit your export-related resources for at least a two-year period? (Exporting is not just a stop-gap for a slow domestic market.
15. Have you developed a formal, documented export plan?
16. Could you promptly fill new or additional export orders from present inventory or other sources?
17. What is the current status of your export activity?
18. Are foreign markets necessary for your company's growth?

## PRODUCT READINESS & SUITABILITY

19. Do you have an established product/service that is unique in one or more ways and that is price competitive in the domestic market?
20. Does your product compare favorably with domestic competitors in features and benefits?
21. Would you be willing to adapt your product and/or packaging to better suit foreign markets?
22. What are the characteristics of your product that provide it with a marketing advantage?
23. Is your product costly or difficult to transport over long distances?
24. Does your product require any special technical support or after-sale service?
25. Can your product tolerate harsh or widely varying environmental conditions?
26. How do you plan to evolve your product (s) in the next 2-3 years?
27. Is your product suited for export? Can it be adapted easily to meet different cultural preferences?
28. Can your service be delivered easily abroad?
29. Will you need and are you willing to translate materials?
30. Is your product cost competitive?
31. Is your quality control up to international standards?
32. Are you ISO (International Standards Organization) certified and approved?
33. Can your product be modified to meet mandatory technical standards in foreign markets?

34. Will your product need to be certified by a foreign agency before being allowed into the market?
35. Does your company have adequate knowledge in modifying product & packaging to meet foreign import regulations or cultural preferences?
36. Do you have the ability to adopt additional competitive features such as using new materials, meeting international standards, integrating new technologies, incorporating new packaging, etc?

## SALES READINESS

37. What is your product's current share of the domestic market?
38. Have domestic sales of your product grown over the past 3 years (average per year)?
39. How extensive is your current domestic sales outreach?
40. What International sales channels could your company support?
41. Do you have reference customers that are meaningful on the International stage?
42. Are your Channel margins in line with target export market expectations?
43. Has your company received any unsolicited inquiries from foreign firms?

## PEOPLE RESOURCES

44. Does your marketing and technical staff understand how to do business in foreign markets?
45. Are your marketing, technical staff and senior executives prepared to spend days, or even weeks, away from home?
46. If not, is the company prepared to train or hire people to work in new markets?
47. Is your senior management prepared to have departments work together to support an export initiative?
48. Do you have good contacts in your industry abroad that may be prepared to help you?
49. Do you have the necessary export skills within your firm (or have access to outside help)?
50. Does your company have foreign-speaking personnel with good customer service skills?

## MARKETING EXPERTISE & RESOURCES

51. Do you customarily conduct market research and planning for your domestic operations?
52. Is your senior management and/or marketing staff skilled at marketing in other cultures?

53. Will your domestic marketing tools, methods and programs be suitable overseas?
54. Does your company have or is your company preparing an international marketing plan with defined goals and strategies?
55. Have you conducted some export marketing research on which to base your forward thinking?

## FINANCIAL READINESS

56. Do you have excess growth capital to use for foreign market development?
57. Are you financially equipped to increase production significantly?
58. What is your Pricing strategy?
59. What is your Budget for international expansion / export development?
60. What payment terms would you be willing to offer reputable foreign buyers?
61. Does your company have adequate knowledge of export payment mechanisms, such as developing and negotiating LC's or enacting export credit insurance?
62. Does your company have the financial resources to actively support the marketing of your products in the targeted overseas markets?
63. Are in a position to finance your export endeavors for a period of 12 to 24 months without necessarily generating any immediate income from International business?

## OPERATIONAL READINESS

64. Can you increase production to meet a surge in demand, even if there are unexpected changes in the domestic and/or international marketplace?
65. Will your production facilities need to be certified by a foreign agency before your product is allowed into the market?
66. How do you expect to support your market (training, problem solving, repairs, etc.)?
67. Is your company committed to providing the same level of service given to your domestic customers?
68. Does your company have adequate knowledge in shipping its product overseas, such as identifying and selecting international freight forwarders and freight costing?
69. Can you easily adopt consistent quality control in your production process, which you can still adhere to even if you increase production to meet export demand?
70. Are you ready to have some fun?

## WE CAN HELP

Contact us at [administrator@atlantric.com](mailto:administrator@atlantric.com) if you would like to be directed towards one of our trade experts or visit us at [www.atlantric.com](http://www.atlantric.com)