

Selling Overseas

15

Many successful exporters first started selling internationally by responding to an inquiry from a foreign firm. Thousands of U.S. firms receive such requests annually, but most firms do not become successful exporters. Generally, successful firms: properly respond to inquiries; conduct research on foreign customers; differentiate between domestic and international sales; build positive relationships with partners.

Responding to Inquiries

Most but not all, foreign letters of inquiry are in English. A firm may look to certain service providers (such as banks or freight forwarders) for assistance in translating a letter of inquiry in a foreign language. Colleges and universities are also an excellent source for translation. Most large cities have commercial translators who are hired on a fee-basis.

Typically, a foreign firm will request product specifications, information, and price. Some inquiries will come directly from the end user, while other inquiries will come from distributors and agents who wish to sell the product in their market. A few foreign firms may already be familiar with the product and wish to immediately place an order.

Regardless of the form such inquiries take, a firm should establish a policy to deal with them. Here are a few suggestions:

- Expect some inquiries to have grammatical or typographical errors, which may result from the writer knowing English only as a second language. Secondly, printing standards differ outside the U.S. so do not consider the quality of the stationery as an indication of the wealth of the company. Despite first impressions, the inquiry may be from a reputable, well-established firm.
- Reply promptly, completely, and clearly. The correspondent naturally wants to know something about the U.S. firm before a transaction takes place. The letter should introduce the firm sufficiently and establish it as a reliable supplier. The reply should provide a short, but adequate introduction to the firm, including bank references and other sources that confirm reliability. The firm's policy on exports should be stated, including cost, terms, and delivery. The firm may wish to respond with a pro forma invoice (see [Chapter 11](#)).
- Enclose information on the firm's goods or services.
- Send the reply airmail. Surface mail can take weeks or even months, whereas airmail usually takes only days. If a foreign firm's letter shows both a street

address and a post office box, write to the post office box. In countries where mail delivery is unreliable, many firms prefer to have mail sent to the post office box.

- If the company needs to meet a deadline, send the information via fax. Unlike telephone communications, fax may be used effectively despite differences in time zones and languages.
- Set up a file for foreign letters. They may turn into definite prospects as export business grows. If the firm has an intermediary handling exports, the intermediary may use the file.

Learning about Potential Clients

There are many ways for a U.S. firm to research a foreign company before conducting any formal business. A U.S. company can save time and money by conducting basic research. These methods include:

- **Business Libraries.** Several private sector publications list and qualify international firms. There are also many regional and country directories.
- **International banks.** Bankers have access to vast amounts of information on foreign firms and are usually very willing to assist corporate customers.
- **Foreign embassies.** Foreign embassies are located in Washington, D.C. and some have consulates in other major cities. The commercial (business) sections of most foreign embassies have directories of firms located in their countries.
- **Sources of credit information.** Credit reports on foreign companies are available from many private sector sources and the U.S. Foreign Commercial Service. For help in identifying sources of credit reports, contact the nearest Export Assistance Center.

Business Practices in International Selling

Companies should be aware of basic business practices that are paramount to successful international selling. Because cultures vary, there is no single code by which to conduct business. These practices transcend culture barriers and will help the U.S. company conduct business overseas.

- Keep promises. The biggest complaint from foreign importers about U.S. suppliers is failure to ship as promised. A first order is particularly important because it shapes the customer's image of a firm as a dependable or an

undependable supplier.

- Be polite, courteous, and friendly. However, it is important to avoid undue familiarity or slang. Some overseas firms feel that the usual brief U.S. business letter is lacking in courtesy.
- Personally sign all letters. Form letters are not satisfactory.

Building a Working Relationship

Once a relationship has been established with an overseas customer, representative, or distributor, it is important that the exporter work on building and maintaining that relationship. Common courtesy should dictate business activity. By following the points outlined in this chapter, a U.S. firm can present itself well. Beyond these points, the exporter should keep in mind that a foreign contact should be treated and served as well as a domestic contact. For example, the U.S. company should keep customers and contacts notified of all changes, including price, personnel, address, and phone numbers.

Because of distance, a contact can "age" quickly and cease to be useful unless communication is maintained. For many companies, monthly or quarterly visits should be made to customers or distributors. This commitment to the business relationship, although not absolutely necessary, ensures that both the company and the product maintain high visibility in the marketplace. If the U.S. exporting firm cannot afford such frequent travel, it may use fax, e-mail, and telephone to keep the working relationship active and up to date.