

Start Thinking Export !!!

Why should your small business consider exporting?

How can your business benefit from exporting?

Why aren't you exporting?

What is required to become a successful exporter?



Why should your small business consider exporting?

Small businesses are obtaining a significant share of exports. They are discovering that they can be competitive abroad. The markets being attacked are not just in Canada and Western Europe, they extend to Asia, Africa, South America, and Middle Eastern countries as well. There is a foreign market out there. Go after it!

More small companies are exporting, shouldn't you?

Exporting is not all that difficult. Most uncertainty and reluctance are due to a lack of knowing how to go about it. Exporting means new business opportunities and increased sales. With careful planning, even the smallest company can become successful on the international scene. The purpose of this guide is to help you with your initial export endeavors. You should take the time to get acquainted with some of the basics of what it takes to export successfully in a foreign market. The sections that follow provide you with insight into how to get started, what your exporting plan should include, how to get your product abroad, how to get paid, and export financing programs that are available.

How can your business benefit from exporting?

Companies that limit themselves to the domestic market fail to capitalize on the benefits that accrue from developing new markets abroad. These benefits include:

- New opportunities for growth.
- New ideas, approaches, and marketing techniques learned from exposure to the global marketplace can often be successfully applied to the U.S.
- It can strengthen a company by diversifying into international markets, as well as into niche markets.
- A means to offset cyclical and seasonal variations in domestic sales.
- An alternative for those industries facing intense competition from foreign companies selling in the U.S.
- Success abroad will often have a positive impact on a company's domestic image.
- An international experience will sharpen management's ability to compete domestically by responding to preferences of new types of diverse buyers and users.

The management of a small, neophyte firm can pace itself as it ventures into the international arena. There are sequential stages of commitment depending upon individual circumstances, capacity and capabilities. The topics presented here provide information on how first time exporters can get started, the information they need, the services that are available and an overview of the mechanics of exporting.

Why aren't you exporting?

Far too many owners of smaller businesses in the U.S. use one excuse or another to avoid the serious and viable consideration of selling their products abroad. What is your reason for not exporting?

- *I'm too small.*
- *I'm doing okay selling to the U.S. market.*
- *I'm not comfortable doing business where they don't speak English and use the U.S. dollar.*
- *Selling abroad is too complicated.*
- *I'm not established in the domestic market yet.*
- *I don't know where to begin.*
- *I haven't seriously thought about it.*

According to numerous studies, the primary reason smaller U.S. businesses do not actively seek to sell to foreign markets is that they simply lack information about those markets. This is in spite of the fact that there is a wealth of information regarding markets and the sales potential by industry in those foreign markets.

These typical excuses reflect a serious attitudinal problem among businesses in this country. However, the fact is that seventy-five percent of the world market and ninety percent of world customers are beyond our borders. Individual firms, large or small, who continue to ignore this do so at their own peril. The conditions are right for businesses to look beyond the domestic market and embrace foreign sales opportunities. It may be easier to sell to customers three or four hundred miles away, but it may not be as profitable. Therefore, for those firms experiencing slowing sales and more intense competition in the domestic market, a consideration of selling abroad is warranted.

What is required to become a successful exporter?

Commitment is a basic requirement for international marketing. First, international marketing is a long-term venture. It should not be attempted on either a onetime or a short-term basis. Market development and the creation and nurturing of solid relationships with foreign buyers is a long-term process. Thus, one definition of commitment refers to a long-term time frame accompanied by perseverance and patience.

A committed exporter in the advanced stages must make some accommodation regarding organization. One or more individuals in the firm will have to deal with documentation paperwork, inland and international transportation arrangements, foreign correspondence and relations with export intermediaries. In the beginning, however, many firms rely extensively on third parties such as an export management company and a freight forwarder.

It is important to grasp the importance of the preceding forms of commitment early. Exporting takes time to build solid relationships and buyer and user awareness. Failure abroad is not due to a lack of customers; successes abroad are due to taking the time to find the most appropriate markets and then displaying the perseverance and adaptability to earn the payoffs. Successful companies concentrate on one foreign market at a time, then proceed to the next market only after succeeding in the previous one. Talking to successful companies in your target market that are willing to share what worked for them will also be very helpful. Call industry associations to find names of successful exporting companies in your sector and target market. Lastly, it must be remembered that developing foreign markets is a long-term commitment. It takes time, effort and resources. Be prepared for the long haul and persevere.

Adaptability describes another type of requirement for export success. Adaptability can take two forms: cultural and product. Cultural adaptability refers to the ability to deal with conditions, trends and business customs that vary dramatically between nations. A major lesson to learn early is that many business deals have never materialized or have failed because managers did not understand the cultural dimensions of the market they were exporting to (e.g., brand names that spell trouble when interpreted in a host language or colors that have different connotations or meanings). One should know something about a country and its culture before attempting to do business there.

Adaptability also refers to one's product line. Fitting a product to a market is vital to one's ultimate success in that market. We refer not just to the more obvious things such as electric voltages or metric measurements, but also to the less obvious (e.g., beverage sweetness preferences, carburetor adjustment settings for desert climates). A company's product may require major or minor changes to fit a foreign market. Selling abroad may also mean being flexible on pricing, terms of sale and agent/distributor marketing support.

