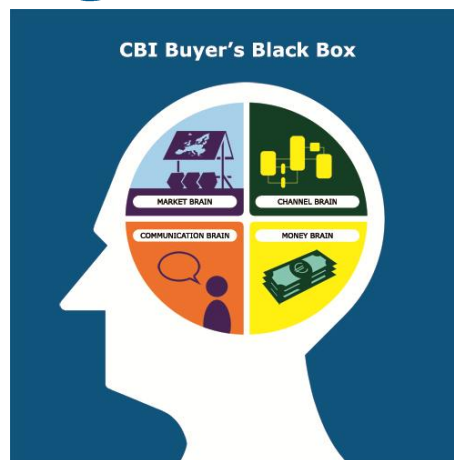




CBI Buyers' Black Box: Subcontracting: Metal Parts & Components



About this document

The CBI Buyers' Black Box offers exporters and Business Support Organisations (BSOs) in developing countries (DCs) a clear and up-to-date view of what goes on in the minds of European buyers when they are sourcing from suppliers in DCs. This Buyers' Black Box offers an analysis and interpretation of the expectations buyers have of exporters in the Metal parts and components sector, against the backdrop of general market trends. The purpose is to give DC exporters understanding of how buyers think, act and what they focus on, and to highlight opportunities and practical considerations for action. Topics have been arranged in four 'brain sections': market, channel, money and communication.

Sector introduction

On the global market for subcontracting metal parts and components, the need for cost reduction remains a driving force for buyer trends. Not surprisingly, efficiency is a central issue, with higher automation levels and process optimisation gaining ground. Combined with Europe's spreading shortage of skilled labourers and engineers, these factors contribute to a market that offers DC exporters interesting opportunities. To capitalise on these opportunities, exporters must keep costs low and efficiency and reliability levels high. At the same time they must seek to strengthen their own position by focussing not only on price, but also on value creation based on a clear understanding of buyer needs.

1. Market Brain

This section looks at external market factors, both macro- and micro-economic, that influence the business options and preferences of European buyers in this sector. Market factors, typically, are beyond the influence of both buyers and suppliers. The right-hand column presents opportunities and practical considerations for exporters in relation to the trends, developments and foresights discussed at left.

Most, but not all buyers want a long-term partnership

European buyers on the metal parts & components and sub-contracting market, as a rule, are serious players interested in developing long-term partnerships with suppliers. Roughly speaking, buyers come in 4 developmental phases:

Phase 1 buyers

- Phase 1 buyers are not (yet) directly involved in international purchasing. They have potential, but their lack of experience is a risk.

Phase 2 buyers

- Phase 2 buyers source internationally because local purchasing is not a favourable option for them. Some of these may make an interesting match for you.

Phase 3 buyers

- Phase 3 buyers are familiar with global sourcing and have a purchasing strategy. Their preparedness for new opportunities makes them an interesting prospect group.

Phase 4 buyers

- Phase 4 buyers have highly global sourcing practices and a wide network of sources. Their main reason for shifting to another supplier, in many cases, is price benefit.

Buyers want a good price, but added value counts, too

While most sourcing in this sector is based primarily on a need for cost reduction, more buyers are showing interest in suppliers who can add value. They will appreciate suppliers who are willing to invest time and effort in finding out how the buyers' company applies their products and who its end customers are. Buyers can save cost by involving the supplier in the early stages of product development. This so-called early supplier involvement is gaining recognition. Buyers are realising that supplier advice on product design adjustments may benefit the manufacturing process in terms of quality, cost and logistics, thus creating value for the buyer.

Automation is pushing up efficiency standards

European businesses are increasingly emphasising automation and the use of robots. The main benefits they see in automation are that it extracts labour costs from the process and raises output by facilitating 24/7 operations. Most buyers still view the lower labour costs in DCs as a good alternative for the short and medium run, as automation does not cover everything and can be costly (especially for small and medium series); however, automation is nonetheless becoming vital to being competitive. In the long run, automation is likely to spread to high-end segments in DCs. It is

Considerations for action

- The 4 kinds of buyers described at left represent very different risks and opportunities for DC exporters. Before going into business with a buyer, find out what kind of company he has and whether it actually matches your expectations. Look at company size and position (high-end or low-end), annual spend, the job level and decision-making authority of the purchaser, his business attitude (is the buyer merely looking to squeeze out a quick win or is he a potential partner?). Checking these qualities will enable you to make a better match.
- Be careful with buyers seeking quick wins only for themselves.
- Focus on developing long-term, win-win partnerships with 'phase 2 and 3' buyers.
- Buyer demand for added value means you must find out how you can create more value for your customer by understanding his product applications and end customers and consulting with him.
- Add value by progressing from contributing a single product to delivering a complete finished product.
- Discuss with buyers any options you see for changing product design that will enable you to reduce the cost of manufacturing.
- Be a partner for your buyer by attending to the development of his ideas at the inception stage; this will give you an edge over the competition when he customer goes into actual purchasing and marketing.
- Increasing automation in Europe means that as a DC exporter you must consistently monitor your own efficiency (doing more with the same number of people), increase output and reduce lead times.
- Monitor your process optimisation and efficiency with a focus on cost reduction and reliability so as to offer buyers an alternative to automation.
- Make sure cheap labour is not your only advantage: raise productivity levels and add value.

also seen to improve process accuracy and reliability.

The EU's shortage of skilled operators is forcing businesses to look abroad

The growing shortage of highly skilled operators and engineers in Western Europe is a major challenge to buyers. Interest among young Europeans in a job in the metal industry is low, while the current population of skilled workers is ageing. This means EU companies will gradually be facing increasing capacity problems in the years ahead. Their need for reliable sources with free capacity will increase. Due to the economic recession and the subsequent drop in demand, the labour shortage is not yet an acute problem. However, if the economy in Europe rebounds in the years ahead and demand goes up with it, the shortage will be keenly felt.

Six Sigma and Lean Manufacturing are becoming vital to buyers

Six Sigma, a management strategy aiming at improving the quality and the results of business processes by reducing the standard deviation and increasing process predictability, is gaining ground among buyers in this sector. So is Lean Manufacturing. Lean manufacturers seek to avoid spending money on resources for any other goal than creating value for the end customer. The Lean concept offers a way of comparing the production process to the actual product and figuring out how the process can be made more efficient, effective and balanced. In practice, this approach can create huge improvements for companies applying it and buyers will be increasingly interested in suppliers willing to adopt its principles. In fact, they are more and more likely to have strong preference for suppliers who have implemented, or are in the process of implementing, these strategies. The reason, again, is that they offer more controlled, consistent, predictable and efficient processes. A buyer who has found a reliable supplier in this sense will not easily switch to another, even if the other is cheaper. A common lean manufacturing concept is the '5S' concept, which uses five key words beginning with an 's' – sorting, straightening, systematic cleaning, standardizing and sustaining – to ensure that the workplace is organized efficiently and effectively.

To buyers, CSR is an added extra

Corporate Social Responsibility is clearly a trend in Europe, though buyers are unlikely to use it as a selection criterion for suppliers in the short term. However, many buyers will pay extra attention to suppliers who have invested in safe and healthy working conditions for their staff and good environmental policies – for instance by implementing ISO 14000 (environment) and OSHAS 18001 (occupational health and safety) or similar standards. Good working practices and discipline aimed at reducing the risk of accidents is generally appreciated by buyers.

Sustainability is gradually gaining ground in this sector. Two key focal points among EU players are the

- Europe's shortage of skilled operators will be a major opportunity for DC exporters in the years ahead. You should always have some level of free capacity available for buyers who urgently need solutions for capacity problems in manufacturing their products and are facing capacity constraints within their existing supply base.

- Six Sigma and Lean Manufacturing are becoming so important that you will need to implement them in order to keep in step with buyers' requirements. The benefit for you is that they will improve your performance on cost, speed, shorter delivery times and reliability.

- Make sure your products have a constant quality and a minimum of deviations at output.

- Use the 5S principles mentioned at left for keeping your facilities clean and safe. Combining this with good discipline will gain you appreciation from buyers and support the increase of your business.

- CSR is not so much a rigid demand as an opportunity for you to distinguish yourself from other DC exporters.

- Reducing your energy costs and material waste quantities is worthwhile if it helps reduce the cost for your buyer, but not yet as an environmental consideration.

- If you sense a strong CSR interest among your buyers, consider implementing ISO 14000 and OSHAS 18001.

- Implementing a CSR policy (and aligning it with that of your customer) is a good way of strengthening your image.

reduction of energy costs and of material waste. In this area, cost reduction is still the main motive. It will probably remain so as long as the recession continues.

Big buyers always compare global to local sourcing and will reshore if necessary

Reshoring, the transfer of business operations back to their country of origin, is only a minor trend so far, occurring primarily among companies with long-term experience in outsourcing. Those opting for reshoring seek to escape the rising cost and risk of outsourcing (transport, inventory levels, administration and currency fluctuations) as well as problems they have experienced with supplier lead times, reliability and overall performance. The – sometimes negative – effects of global sourcing on their own flexibility and reliability also play a part. Unfavourable exchange rates can also lead buyers to consider reshoring.

It is difficult to forecast whether this trend will progress and if so, how. Experienced buyers will always compare their global sourcing activities to local alternatives and reshore if necessary. However, they will not easily give up suppliers who are reliable and flexible.

Buyers look at a supplier's country as well as his company

The attractiveness of a DC exporter to EU buyers does not merely depend on company qualities, but also on local or national business conditions. Most EU buyers engaged in global sourcing tend to direct their attention to the most familiar low-cost countries, i.e. China, India and Eastern European countries. They will tend to avoid countries that are perceived to be unsafe, politically unstable or poorly equipped in terms of infrastructure, travel and transport facilities et cetera.

- With buyers constantly looking for cheaper and better alternatives, including reshoring, you must realize that being fast or cheap is no longer enough to hold onto buyers: in today's market, you must be flexible and reliable as well.
- Make sure you understand your buyers 'cost of ownership' for sourcing from you as compared to sourcing from local suppliers.
- Keep your eyes and ears open for dissatisfied buyers considering reshoring: by promising better results and service and delivering on your promises, you may catch the business before it is re-shored.
- In recognition of buyer sensitivity to country reputations, seek to build a relationship with your buyer and provide intelligent, positive information on your country to counter unbalanced media coverage.
- Join forces with branch associates to issue positive information about your country to the market.

2. Channel Brain

This section provides insight into key issues affecting the whole supply chain in this sector: product and process requirements and criteria applied by buyers in sourcing and trading. These issues are analysed and interpreted in order importance and converted into opportunities and practical considerations for exporters in the right-hand column.

Buyers face pressure from different sides

Buyers must be equipped to meet the demands of both external and internal customers (regarding warehousing, planning, manufacturing, QA, engineering, sales and finance), while also fulfilling constant demands from their managers to cut costs (to a purchasing professional, successful cost saving measures may well mean a higher salary or an early promotion). Their main interest is to secure quality and on-time deliveries at an acceptable total cost. They appreciate working with suppliers who understand these various needs and will try to back them in fulfilling them.

Buyers are constantly looking for ways to reduce risk

A buyer is constantly looking for ways to control risk. The risks he face include that of poor supplier performance: will the supplier send the agreed quality and quantity without transport problems and delivery delays? And if there is a delay, will he be told in time do something about it? Particularly working with long-distance supply lines can be a major headache for a buyer. Every buyer wants to satisfy his external and internal customers and his management and knows that failure to do so may cost him his reputation or bring reputational loss to the company. Most buyers will, therefore, seek to share the risks with their suppliers. Some, in negotiations, may try to push the risks across the table to the supplier by proposing strict terms that are to his own benefit, or penalties for over-due deliveries. Others may be more open to developing a strong relationship with realistic and fair risk sharing.

OEMs are the most likely to do business with DC exporters

The buyers most likely to do business with DC exporters are Original Equipment Manufacturers (OEMs) – especially those in need of more complex parts with many specifications and requiring intensive communication. Buyers seeking commodity items, like fasteners or springs, are more likely to deal with distributors, as they will consider these more capable than most individual exporters of managing direct sales to a broad range of end users.

Buying combinations tend to shop for the lowest prices

Buyers who lack the experience, the interest or the time to develop global sourcing will look for a buying combination specialised in purchasing from best-cost countries. Usually, they will look for a buying combination that keeps stocks and takes care of all communications, logistics and quality issues. These buying combinations are particularly intent on getting the lowest prices, as they require a high margin for covering costs and risk and making a profit. This option is primarily of interest for buyers dealing with high volumes, high-value supplies and low-risk products.

Considerations for action

- Understanding your buyer means you will try to be a partner who relieves him of worry.
- Promises kept are opportunities created.
- Try to get a clear picture of the challenges your buyer faces, so that you can offer proactive help and make yourself indispensable.

- In negotiating with a buyer, remember he will want to reduce risk with payment, delivery and Incoterms to his own favour.
- Help your buyer avoid risk by delivering as and when agreed – and if you can't, notify him in good time.
- Keep your buyer updated on order status and be quick to inform him about delays as well as proposals for solving the problem.
- Assign a key account to every important customer.

- Review what is the best distribution channel for your type of product.

- Buying combinations are an interesting option if you're selling higher volumes of high value products at very competitive prices.

Some buyers prefer to work with an agent

Buyers in some cases will appreciate suppliers who work with an agent based in their own country, provided he understands the business. The agent can add value in overcoming cultural differences and conveying the buyer's needs. An agent is also more convenient if the buyer wants to discuss issues and problems related to quality, delivery and communications. Typically, buyers who want to be able to drop their questions, requirements and problems on the plate of a single, easy-to-reach, nearby contact who understands their needs and can solve their problems will appreciate working with an agent. Such buyers are not interested, or lack the time, to explore the full possibilities of global sourcing by travelling to DC destinations and visiting suppliers. They come in all shapes and sizes, but usually do not include multinationals with high purchasing volumes.

- Working with an agent will improve your position only if you are unable to develop exports on your own.
- Don't underestimate the importance of selecting an agent who fits into your company's culture and has the right skills to proactively seek out new opportunities for you, contact new prospects and contribute to a growing and sustainable export business. In addition to his technical background and knowledge of the local market, your agent's personality, experience, communication skills, along with a strong sales drive, are key success factors.
- The commission for agents ranges, roughly, from 3 to 7%, depending on their role.

3. Money Brain

This section deals with the financial requirements and considerations you are likely to encounter in doing business with European buyers in your sector. Issues such as price setting and promotional and logistics costs are looked at from a buyer's perspective and interpreted for you as an exporter.

Buyers use quotations to form a first impression

The initial trigger for buyers to contact a supplier is usually the price level being offered. Additional factors discussed in this document – such as your reliability or CSR performance – only come into play once a supplier's quotation has grabbed the buyer's attention. Buyers expect a quotation to be clear, complete, tidy and professional – both in content and appearance. The better the overall impression they get from a quotation, the more likely they are to follow it up.

European buyers will only seriously review a quotation if it includes all essential information: the supplier's company address, logo, contact details; the buyer's contact details; quotation date, nr. and revision; product description, quantities offered and specifications (e.g. a drawing nr.); unit price on currency as per buyer inquiry; and tooling costs, if applicable.

Good buyers expect clear and accurate cost calculation

Buyers often encounter substantial price differences between companies from best-cost countries and when they do, quite naturally, they want an explanation. Inaccurate or unclear calculations are usually a good reason for them to back away from a supplier.

Not all buyer enquiries represent a good business opportunity

Many buyers you will encounter, especially newcomers and SMEs, are relatively inexperienced in global purchasing. These buyers are, in most cases, mainly interested in the price level you offer. Some of their enquiries will be unclear or even lacking essential information.

Buyers are usually optimistic about potential order levels

Buyers, in some cases, like to overestimate the annual quantity requirements to impress the supplier and get a better price level. Their order forecasts are often also based on forecasts by salesmen, who are known for their over-optimism and opportunism.

Considerations for action

- In recognition of the fact that your price levels and your quotation combined are likely to turn buyers on or off, make sure your quotations are clear, accurate, attractive and professional.
- Quote a delivery time that is realistic and achievable.
- Make sure you know whether a prospect's products represent considerable labour costs, as this will make your offer a more attractive alternative to that of his local suppliers.
- As far as it is applicable, mention the dimensions, specifications and properties which could not be attained with the current design, and offer proactive solutions.
- In some cases it may be wise to add a currency fluctuation clause and a raw material fluctuation clause.
- To make sure your cost calculation tallies, review your quotes after finalising orders.
- Prevent miscalculations and develop a standardised calculation system.
- If a miscalculation occurs, don't blame the customer but find a solution.
- Under-pricing leads to losses, while over-pricing can ruin your business.
- Use your calculations as input for your capacity planning as well.
- The content and quality of enquiries can give you vital insight into a buyer's potential. Use that information to avoid wasting time on fruitless contacts.
- Phoning buyers who have provided unclear inquiries might help you get a better understanding of their requirements. It may also deepen your first impression of the buyer and his company culture.
- If an enquiry is unclear to you, ask questions until you understand it. Don't make assumptions.
- Be aware that actual orders placed by a buyer may in some cases turn out to be a lot lower in annual volume than suggested in the enquiry.
- Remain in frequent contact with buyers about their forecast expectations.
- Inform your buyers on available capacity and

Different buyer types may prefer different Incoterms

The most commonly used Incoterms in this sector are EXW, FOB, CIF, DAP and DDP. Buyers representing multinationals prefer to use EXW or FOB, as they usually have their own global contracts with forwarders. Smaller companies may prefer DDP, so as to reduce risk while at the same time providing them with the best way of comparing your offer with the price levels of local suppliers.

Freight costs fluctuate with the global economy. They are expected to increase in the future, as energy costs go up. Freight cost is an important aspect of logistics costs and can be between 3 and 10% of the invoice value of goods.

Buyers care a lot about proper, efficient packaging

Buyers in Europe care a lot about proper, efficient packaging. The condition in which a supplier's shipments arrive at their warehouse may either boost or damage their confidence in that supplier. Poor packaging that results in damaged goods will almost certainly dampen their enthusiasm about the relationship.

Buyers also expect suppliers to communicate with them as to how they plan to pack the goods ordered. They appreciate packaging that is firm as well as easy to remove during unpacking. Also, they expect suppliers to make sure all packaging complies with their country's market access requirements.

Buyers like DDP as it is comparable to local buying conditions

Buyers like to use the Incoterm DDP as it offers them an opportunity to compare a supplier's conditions with the local conditions. Using DDP means a buyer does not have to worry about transport costs, the risk of lost goods, transport damage or the complexities of EU import duties (the import duty depends on the HS code, or Harmonized Commodity Description and Coding System, that applies to the goods in question).

Receiving (large) presents from suppliers can embarrass buyers

Within most European companies, receiving (large) gifts from suppliers is discouraged, as it can be seen as a form of bribery. Some companies do not even allow their staff to receive gifts and most firms with international operations have strict written procedures regarding this issue.

workload; this may push them to release orders earlier.

- Ask your buyers where and how they intend to use your products (e.g. in a new machine or a machine that is near the end of its product life cycle).
- Understand the Incoterms as well as the costs involved in shipping from door to door.
- Keep up with developments in global transport.
- Information on Incoterms and abbreviations is easy to find on the Internet.
- Work together with the customer to reduce transport costs, as they do not add value to your product.
- Packaging is a vital part of sales. Develop safe, attractive and efficient packaging that will prevent damage during transport and will strengthen your image.
- In many cases, the best way to pack goods is inside a wooden crate reinforced with metal strips.
- Discuss the packaging with the customer, do not make assumptions in this area.
- Make sure you are aware of import duties and their effect on your export costing.
- Your global forwarder can help you identify the correct HS code.
- Understand each aspect on global transport and use and work together with a well-known and reliable forwarder.
- Goods imported from countries that have a free trade agreement with the EU are duty-free or are subject to reduced duty. If this applies to you, you are required to send a certificate of origin Form A along with the shipment.
- Be sensitive when it comes to giving buyers gifts. Realise that by doing so, you may be tempting them to break company rules or ethics, causing embarrassment or even causing them to lose their job.

4. Communication Brain

This section is all about the 'human factor' in business. It highlights the communication behaviour of European buyers sourcing in DCs, offering insight into their expectations and practical suggestions as to how to meet those expectations as an exporter.

Buyers want a supplier they can trust

Buyers will form a first impression of you in the first ten seconds of meeting you. Apart from their obvious interest in your product and company, they will want to find out whether you are trustworthy. In Europe, business relationships do not usually centre exclusively on products and business processes, but also on good communication and a sense of mutual understanding and appreciation. A successful partnership, in the eyes of most buyers, is one in which both the actual trade and the overall communication and relationship are beneficial to both parties.

Buyers feel uncomfortable with suppliers who have frequent staff changes

In the eyes of many buyers, frequent personnel changes within supplier companies are not good for maintaining business. They view business as being largely based on relationships, which in turn depend on trust. They appreciate being able to develop a good relationship with a few key people within the supplier company, or even having a single point of contact. They will, therefore, tend to prefer a supplier who succeeds in keeping his key staff on board. Relation management has become more important.

Slow email response can be a reason for buyers to give up

Email is often the first point of contact between buyers and suppliers. In Europe, buyers expect same-day response to emails they send – even if in your initial response you offer no more than a confirmation and a due date for an in-depth answer. A slow response will be taken by many European buyers as a sign of disinterest or lack of professionalism – and vice versa.

Buyers like 24/7 reachability and phone calls as well as emails

European businesses feel uneasy about suppliers who are difficult to reach. Unanswered emails or phone calls will give them the feeling you are out of control. Ideally, they will want to be able to reach you, or someone representing you, on the phone 24/7 – or at least during European office hours. This kind of availability will definitely increase a buyer's confidence in a supplier: to the buyer, it means the supplier takes him and whatever problems or questions he may have seriously.

It's also important to note that European buyers do not like to rely exclusively on email for communicating with suppliers and partners. As efficient as email may be, they also view it as impersonal and limited. Regular phone calls have the potential for giving them input they would miss by email. For instance, most buyers would appreciate a scheduled phone call 2 or 3 days after receiving a supplier's quotation to discuss details

Considerations for action

- Many DC suppliers offering good products and services fall short on communication, thus unnecessarily making a careless impression on buyers. In developing new contacts, focus on building and maintaining a good relationship.
- Convince your customer that you won't drop him the moment a better opportunity comes by.

- As buyers prefer stable relationships to haphazard contacts, give adequate attention to your customer relations.
- Create a professional export department with good English speakers who have sufficient knowledge to answer customer questions adequately.
- Implement a solid HR policy to retain key staff.
- Taking a personal interest in your staff is crucial for building a successful and motivated team that is eager to satisfy customers.

- Always answer, or at least confirm, every email within a day or two, informing the sender when and how you plan to deal with the issue presented.
- If you receive an urgent email, respond by phone.

- Reachability is vital to staying in business. Make sure your customers know how and when they can reach you and who to contact if you are not in. They should be able to reach someone at your company 24/7 – or at the very least during EU office hours – even during festivals and holidays.
- Set up clear lines of communication for emergencies.
- Notify customers in advance of holidays and festivals.
- Prepare for phone calls by writing down what you want to discuss.
- Make sure you have all relevant correspondence and data at hand before calling.
- Be aware of time differences.
- Speak clearly and listen attentively. Don't interrupt.
- Show enthusiasm about your own business and your customer's.

and explore possibilities. As a rule, buyers will appreciate the use of email for exchanging clear, short messages and documentation and the use of the phone for discussing misunderstandings, urgent or complex issues, resolving problems and building trust and understanding.

Proactive communication will strengthen your position

Buyers are often faced with difficult questions from internal or external customers at the most inopportune moments (like at the end of the day). Being able to answer immediately will establish them as trustworthy and active, strengthening their position within the company. By contrast, having to tell his contacts that he doesn't know and will have to try and reach the supplier will make everyone nervous. This means that in his view, effective communication with suppliers goes beyond merely keeping in touch and answering questions and queries: it is about anticipating the needs of one's counterpart before they are even expressed. It's about being one step ahead. A buyer will always value a supplier's efforts to understand his position and to come up with solutions for the challenges he faces. This kind of proactive communication inspires trust and will encourage buyers – and their colleagues – to take a supplier seriously as a responsible, dependable player in the supply chain.

Buyers get annoyed about lack of openness

Buyers in Europe expect any problems that may sooner or later affect them – whether capacity or manufacturing issues, transport delays or whatever – to be brought out in the open as soon as they emerge. European buyers expect complete openness. This also means they expect suppliers to have complete insight in, and control over, their own operations, including any activities the supplier may have outsourced. Suppliers who fall short in this area, causing a buyer unexpected trouble, will give cause a lot of annoyance and run the risk of losing business. On the other hand, most buyers will show more acceptance and understanding to a supplier who presents problems at an early stage – with time for finding solutions. They expect suppliers to take responsibility for the problem rather than ignoring it or leaving it to the buyers. Suppliers who do this gain credibility as a partner.

Face-to-face meetings are ideal for building trust

Most European buyers would agree that in their eyes many DC exporters underestimate the importance of company visits and lose business as a result. Europeans consider frequent visits to (potential) customers as vital to success. The main purpose of such face-to-face meetings is to build trust and to develop a positive relationship that will be conducive to business, as we all enjoy doing business with people we like.

Buyers expect visiting suppliers to confirm their visit and to come well prepared with adequate samples and presentation materials. They will expect their visitor to have familiarised himself with their business by

- In order to become a valuable partner to your buyer, take time to consider the challenges he may be facing and how you might offer support.
- Proactive communication is an excellent promotional tool: your engagement (or failure to engage) with buyer issues will spread throughout the buyer company.

- If you run up against problems regarding an order, don't wait for your customer to call you, but be the first to make contact and define the problem.
- If necessary, invite the buyer to help you find a solution, but remember you are responsible.
- Develop a positive climate of honesty and reliability throughout your company and among your own suppliers, so that you can offer buyers complete transparency.

- To avoid underestimating the importance of face-to-face meetings with customers, it may be wise to consider visiting Europe once or twice a year.
- Confirm customer visits. Be sure you know who you will be seeing.
- Prepare your own agenda, while also allowing room for the customer's agenda.
- Arrive a few minutes early. Inform your host about any delays as early as possible.
- Dress appropriately.
- Ask open questions and listen well: customers will

checking their website and reading up on market developments. Most European hosts will appreciate a polite interest in their personal life, too (e.g. interests, family life, holiday plans et cetera).

A day or two after the visit, your buyer will expect you to send an e-mail, expressing your appreciation for the visit and summing up the issues discussed and the action points agreed on. Using a brief, easy-to-read report for this purpose will strengthen your image as a serious and professional player.

appreciate your interest.

- Be yourself.
- At the end, sum up the main points. Later, confirm these in an email.
- Make a report of the visit and share it with key players in your company.

This survey was produced for the CBI by Peter Lichthart (CBI Sector Expert) and Stephen Teeuwen (copywriter).

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