



International Business Certificate Program

DEVELOPING AN EXPORT STRATEGY & MARKETING PLAN




Topics to be Discussed

- How to Succeed in Today's Global Marketplace
 - Importance of a Marketing Plan
 - Market Research and Resources
 - Choosing a Product to Export
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Topics to be Discussed 2

- Choosing Target Countries
 - Export Distribution Plan
 - Export Product Pricing Plan
 - Advertising and Promotion Plan
 - After Sales and Support Plan
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Why Export?

- To Set-up Additional markets
 - To find sales opportunities not found here
 - To create sales stability in times of U.S. slumps
 - Exposure to new ideas and concepts
 - It's fun, challenging and full of learning
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Today's Global Marketplace

- Global sourcing is a reality and its here to stay
- Instant access to information via the Internet
- Worldwide demand for more speed & efficiency, better quality & service
- Trend of moving from manufacturing to more service oriented companies in U.S.
- Information, technology, management and finance are main U.S. strengths

Today's Global Marketplace 2

- Fiercely competitive world
- Must differentiate your product
 - High quality
 - High or new technology
 - New designs, more creativity
 - Quick & Efficient Service
 - Need for great branding, attractive products, packaging and promotion


Before Going Global

Seven Questions to Answer before Developing an International Strategy

1. Do you have management commitment to expand int'l?
 - You will have:
 - Budget
 - Personnel
 - Time commitments




Before Going Global

2. Who are the end-users and why do they need your product?
 - Identity the role the product plays for each consumer.
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Before Going Global

3. What is the basis for your company's competitive advantage?



price, features, quality, customer service, brand and product Image, technology.



Before Going Global

4. What is the most effective distribution channel for your product?

Do you sell to:

agents

distributors

direct to end-users



Before Going Global

5. What role does your company play in the value chain? What are the value-added activities?

- R&D
- Purchasing
- HR management
- Technology
- Manufacturing
- Marketing and sales
- Customer service



Before Going Global

6. Did you conduct an analysis of your industry and its profitability structure?

- Bargaining power of buyers - leverage
- Threat of substitute products or services – alternatives
- Bargaining power of suppliers - leverage
- Threat of new entrants - entry barriers
- Rivalry among existing firms – competition



Before Going Global

7. When and how will you know if your international expansion must either be stopped or scaled back?

How much investment in time and resources (cash) will be allowed before the company acknowledges it cannot continue its international strategy?





Qualities of a Successful Exporter

- Long term thinking
- Patient
- Flexible
- Culturally sensitive
- Ability to deal with both detail and broad thinking and planning
- Good communicator with people skills




Export Players

- Exporters
 - Manufacturers
 - Export Management Companies (EMC)
 - Commission Reps
- Freight forwarders/Customs Brokers
- Shipping lines/Airlines/Truck/Rail
- Banks
- Foreign Buyers
 - Distributors
 - Reps
 - Retailers/Chain stores



The Export Process for Success

1. Focus on a product and be the best
 2. Know your U.S. buying and selling environment and competitors
 3. Know your foreign buyer environment and needs
 4. Manage well all processes between factory and partners and foreign buyers
 5. Its all about relationships. Make them solid, make them last
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Importance of market planning

- Global market is a big place
- We have limited resources
- Must focus efforts on best countries and foreign partners for our products
- Need to budget money and time for the most bang for the buck
- Need to fit into overall business plan

International Marketing Plan Elements

Written strategy for 2+ years covering:

- Products
- Target countries and sub markets
- Distribution channels
- Pricing
- Promotion
- Service
- Budget
- Travel
- Time goals

(See sample export marketing plans and template)

International Market Research Tools

- Export assistance agencies
- Internet
- Colleges, universities & libraries
- Trade & Industry associations
- Trade shows
- Information from other companies
- Foreign consulates & embassies

Choosing a Product to Export

- Will your product sell abroad?
- Are product modifications required?
 - Size/color/formulation/design
 - Labels & packaging
 - Instructions
 - Language
 - Voltage



Selecting Your Target Countries

- Where is the demand highest?
- Where is there less competition?
- Where do you have an advantage because of language of culture
- Where do you already have contacts?
- Analysis of competition by country

Selecting Your Target Countries


- Researching your markets
 - Understand your product classification numbers- Harmonized Tariff Schedule (HTS) and SIC codes
 - Use Trade agency websites
 - CITD
 - U.S. Department of Commerce
 - U.S. Customs (for HTS codes)

Selecting Your Target Countries

- CITD.org Website
 - Best Market Reports (BMR's)
 - International Trade Database
 - Export and import trade statistics
 - U.S. Department of Commerce Country Commercial Guides




Making an Export Distribution Plan

- Decide on mix of distribution channels:
 - Distributors
 - Commission representatives
 - Chain stores
 - Direct to end user
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Finding Buyers/Distributors

- Government agencies
 - Internet
 - Referrals
 - Trade shows
 - Trips
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Export Pricing Plan

- Prices must be competitive with local, foreign and U.S. companies
- Must be competitive with prices seen on internet, even with U.S. distributors of your own product
- Prices should be affordable to target market buyers
- Must analyze total cost to end user, with duties, sales VAT tax, distribution margins, etc.

Plan for Advertising and Promotion


- Begins with plan of how to find & reach potential buyers & distributors
- Direct mail and email
- Website and links (don't forget foreign language translation)
- Use of media: magazines, newspaper, radio & TV
- Trade shows in USA and abroad
- Trade associations and directories

After Sales and Support Plan

- There will always be after sales service and warranty issues
- Normal U.S. policies are usually not enough.
- Need to cover:
 - Who takes care of service? Here or there?
 - Who pays for service and freight if returned?
 - Who pays for training?




Marketing Budget

- Make a realistic budget, including:
 - People & salaries
 - Promotion, materials & advertising
 - Communication
 - Trips
 - Trade shows
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Good Communication is the Key

- Frequent communication with buyer & partners minimizes misunderstandings
 - Understanding of foreign requirements and cultural differences very important. If they ask for it, they probably need it
 - Provide responses and solutions quickly
 - Travel and meeting clients and partners is essential and will triple your sales!
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Travel is Key

- Make travel plan budget
- Establish travel procedures S.O.P
- Visit your customers at least once/Yr.
- Combine with trade shows
- Don't forget U.S. shows
- Take samples & literature
- Learn culture and honor clients




Important to Revise Plan Often

- This is a quickly changing world
- Learn by your mistakes and quickly adapt to new conditions and trends
- KEY: Learn to listen to your buyers & let the market tell you what it wants



Conclusion

- There is a large international sales and profit potential
 - To succeed, we don't have to be the richest or smartest, but we must be ready to commit to the export process, putting in the time and effort required over the long term.
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Export Assistance Resources

- Center for International Trade Development (CITD)
- U.S. Department of Commerce (DOC)
- Export Import Bank (EXIM)
- U.S. & California Dept of Agriculture
- Small Business Administration (SBA)



Center For International Trade Development

- California State funded
- Fourteen offices in California
- Assistance with export and import
- Workshops
- Free consultations
- Trips and events



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