



EXPERT EXPORT GUIDES

**ARE YOU READY TO
START EXPORTING?**

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There is a lot involved when starting to consider exporting. Far from being an easy route to riches, it can be a drain on resources if not done correctly. That said, with the right planning and execution it can be a real benefit to your business and help propel it to the next level.

You have hopefully by now read our article **‘Why do you want to Export?’** and have considered your real motivations for embarking on this journey? If not, we strongly recommend you read it and follow the suggested exercise before reading further here.

Assuming you have done this, you now know your motivations for exporting are legitimate. You are ready to take the next step, but is your organisation?

Are the other stakeholders, or your bosses, of the same opinion? This may seem obvious, but it is not always the case. Ask the question, get commitment from all involved, make sure everyone is on the same page.

This will be doubly important later if things are not quite going to plan and you need extra support.

Next, we like to make a list of the resources we are going to need to make a concerted effort in export markets, then compare that with the organisations’ actual current capabilities.

Start off looking at the people in your company, in every department that will be affected by exporting, so that means every department!

Do they have the skills and experience required for exporting? If not what training or re-organisation is required to meet that need. Make sure the whole organisation is aware of your plans and ask each department to prepare accordingly. It may take some time, so start early.

If you are already exporting to other areas then likely you have the skills in place, that's great, but you still need to go through the process to ensure the organisation can cope with the likely extra demands of any new market. Remember each country is different.

For example, if your product needs local approval it could be that you require specific packaging, labelling and paperwork for each country. That could take some time to prepare and may have unexpected consequences. It is best to discuss internally to be sure there are no unforeseen obstacles to considering a new market.

I worked with one company who had product approval in France, for example. Their packaging process was highly automated with reels of pre-printed sheets which were then formed around the product. Each reel contained packaging for 50,000 units, but in the early stages sales were unknown and likely to be no more than 10,000 units in Year 1. An internal decision was required to make the required investment ahead of potential sales.

It's the classic chicken and egg situation. You have to be sure in advance that your organisation is prepared to and able to make the investment.

One key element, which is often overlooked by enthusiastic sales people with eyes fixed on growth, is finance. It shouldn't be a factor, right? Wrong!

Exporting has financial consequences for your organisation. Yes, it will eventually be a real benefit and cash generator, but in the initial phase it may be a draw on resources.

The initial research, travel to the market, marketing, internal costs, cashflow consequences, currency implications, international payment methods etc etc will all be on your FDs mind. Best therefore to discuss in advance. Agree how much you are willing to invest and the length of time you are able to continue before expected returns kick in.

As part of this debate it is important to also define your organisations attitude to risk. Inevitably there will be some additional exposure, not just financially, but also legally, politically, even environmentally perhaps.

Entering a new country there may well be an element of the unknown. Even within Europe there are differences country to country. Get it wrong and it can be costly. Be aware of the pitfalls and if in doubt ask advice.

As an example, I worked with an organisation looking to appoint an agent in Germany. Sounds straightforward right? Well yes and no. Appointing one and drawing up a simple contract is easy enough, but there are unforeseen consequences under European law. An agent could actually be entitled to part of the increase in value of your business in that country as compensation if your agreement ever ends. They could also be viewed as an employee if the contract is not written correctly.

The moral of the story is to get advice before you act, even if you think it should be straightforward.

Work your way through the organisation and consider all the touch points for export and the potential implications for your resources, your staff, your organisation. Leave no stone unturned, make sure the whole company is on the same page and everyone is prepared for the exciting journey ahead.

We have a checklist we use which we would be pleased to share with you as a guide to conducting this exercise. If you would like a free copy please **email info@goexporting.com** with **Resources Checklist** in the subject line. We'll then send it to you by return.

We also offer our complete **Export Readiness Audit** service to help take you through the process from start to finish.



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