

The Global Summit of Women 2009

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Presentation on
“Gauging Your Business’
Export Readiness”



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International Alliance for
Women (Canda)

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The International Alliance for Women
Connecting to make all the difference in the world.

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GAUGING YOUR BUSINESS' EXPORT READINESS

“First of all, do your homework and know yourself. Realize that it is a commitment for a long, long term. Know your strengths ... Do your research on your product or your service and then go for it.”

EXPORTING GOODS VERSUS EXPORTING SERVICES

Exporting goods and exporting services presents quite different challenges. The former must deal with packaging, customs and physical delivery, for example, while the latter confronts issues such as work permits, credential validation, and travel to and from the market.

Exporting services can also take longer –usually necessary to establish a relationship with a potential client.

ARE YOU READY?

An export-ready business is one that has a marketable product or service, and the capacity, resources and management commitment to deliver it on a global scale at a competitive price. The trick is to determine whether this is true of your company – and if it isn't, how to make it happen.

Your expectations – do you have:

- Clear and achievable export objectives;
- A realistic idea of what exporting entails;
- A solid business plan in place;
- An openness to new ways of doing business; and
- An understanding of what is required to succeed in the international marketplace?

Human resources – do you have?

- The capacity to handle the extra demand exporting requires;
- A senior management committed to exporting;
- Efficient ways of responding quickly to customer inquiries;
- Staff with culturally-sensitive marketing skills;
- Ways of dealing with language barriers?

Financial and legal resources – can you:

- Obtain enough capital or lines of credit to produce the product or service;
- Find ways to reduce the financial risks of international trade;
- Find people to advise you on the legal and tax implications of exporting;
- Deal effectively with different currency systems;
- Ensure protection of your intellectual property?

Competitiveness – do you have:

- The resources to do market research on the exportability of your product or service;
- Proven, sophisticated market-entry methods;
- A product or service that is potentially viable in your target market?

EXPORT MYTH – I'm too small to be an exporter

No, you're not! To succeed in international markets, you don't have to be a big firm with huge resources and an entire department devoted to exporting. Tens of thousands of companies small and medium-sized export and do very well at it.

Evaluating your export potential

Can your product or service find a worthwhile market outside your home country? It's crucial to answer this question satisfactorily – if there's no demand for what you're offering, you'd obviously be unwise to proceed. Here are some things to take into account when you're analyzing your export potential:

Customer profile

- Who already uses your product or service?
- Is it in broad general use or limited to a particular group?
- Is it popular with a certain age group?
- Are there other significant demographic patterns to its use?
- What climatic or geographic factors affect the use of your product or service?

Product modification

- Are modifications required to make it appeal to foreign customers?
- What is its shelf life? Will this be reduced by time in transit?
- Is the packaging expensive? Can it be easily modified to satisfy the demands of foreign customers?
- Is special documentation required? Does it need to meet any technical or regulatory requirements?

Transportation

- How easily can it be transported?
- Would transportation costs make competitive pricing a problem?

Local representation

- Does it require professional assembly or other technical skills?
- Is after-sales service needed? If so, is it available locally or do you have to provide it? Do you have the resources to do this?

Exporting services

- If you're exporting services, what is unique or special about them?
- Are your services considered to be world-class?
- Do you need to modify your services to allow for differences in language, culture and business environment?
- How will you market your services: in person, a top professional;
- How do you plan to deliver your services: in person, with a local partner or by electronic means such as the internet?

4 Ways to export services

1. When service crosses the border – not the provider – a market research report is sent by internet to a client in another country
2. When the purchaser/client visits your market and you deliver to them there – printer, flowers, dentist
3. Company sets up a temporary office abroad to do a project – construction
4. You the service provider travels to an export market – perhaps to deliver training

Exporting services – building credibility

- You need to build your credibility in the foreign market so customers will take a chance on your service:
 - Network with local contacts
 - Establish a profile in the media as an expert or in-general - become visible
 - Identify appropriate conferences etc. at which to speak to build your visibility
 - Provide services to foreign clients in your country

Exporting services

- Are you prepared to make a long term commitment – resources for a 2-3 year development of target export markets;
- Are you familiar with the immigration regulations and work permit requirements of your target markets;
- Are you prepared to travel to foreign countries and how much?

Capacity

- Will you be able to serve both your existing domestic customers and your new foreign clients?
- If your domestic demand increases, will you still be able to look after your export customers or vice versa?

Thank You!



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