

What's involved in exporting - The export process

Despite all the benefits of exporting, it remains a complicated process that is fraught with risks. It is not a question of simply becoming an exporter from one day to the next. There are many steps involved in becoming an exporter and each of these steps may have several sub components to it. The 21 steps to exporting are highlighted below:

A: UNDERSTANDING AND PREPARING FOR EXPORTS

1. **Considering exporting?** - If you are considering exporting, you should clearly understand why you want to export, what the difference is between domestic marketing and export marketing, what the various environments are that you will encounter in international trade and the trade barriers you may face in the international marketplace.
2. **Current business viability** - If you are not managing to survive in your current business, then don't consider exporting.
3. **Export readiness** - Besides having an existing base (i.e. a viable business) to build on, there are several other factors that contribute to your readiness to export. See our white paper – 70 questions to ask your company if it is export ready.
4. **Set a broad export mission statement and initial research budget for your firm** - If you're ready to export, then you need to set a broad statement indicating that intention to export (which you may revise later), and you will also identify a small budget that will allow you to do the research and preparation necessary to plan and implement an export strategy.
5. **Confirm management's commitment to exports** - probably one of the main reasons why firms fail with their export endeavors is because management only pay lip service to the firms' export efforts. This is not enough! You should get management to commit on paper to the firm's exports efforts and have them approve the budget you submitted for your export research.

B: RESEARCHING AND SEGMENTING EXPORT MARKETS

6. **Undertake an initial export SWOT analysis of the firm** - it is important to understand what the export capabilities of the firm are, as this knowledge is used as an input in the export marketing research process (see the next step). It is necessary at this point in the export process to undertake an export SWOT analysis. But as you do not yet have the foreign market information at your disposal, this SWOT analysis will need to be reviewed again later in the export process as an introduction to the export plan.
7. **Selecting and researching potential countries/markets abroad** – It is unlikely that you can export to all the countries in the world. Indeed, even established companies can only concentrate on two or three countries at most (and usually only those that are close to each other either geographically, culturally or in terms of

language or some other factor). Smaller companies will barely be able to cope with one additional country (in addition to their domestic market). The question is which country? At this point in the export process your firm must evaluate the many potential countries open to you and narrow the list down to no more than three to five countries with the greatest potential to look at more closely (a shortlist of countries). Once you have established a shortlist of countries, the next step is to do some desk research and in-market research to identify the most suitable country (or perhaps two countries) from your shortlist. In the case of large countries such as the China, Japan, Germany, the UK, etc., you may also want to segment the country into more accessible segments (such as males under 30, or households with an income of \$100,000 or more per annum) that you can focus your marketing efforts on. The purpose of this research will be to understand the foreign environment you intend to enter and to identify potential foreign customers and their needs so that you can plan an export marketing strategy that will meet your potential customers' needs.

C: COMPILING AN EXPORT PLAN

8. **Preparing your export plan** - This is one of the most important steps in the export process and will incorporate a situational analysis (export SWOT), your export objectives and an export marketing strategy.

D: IMPLEMENTING THE EXPORT PLAN

9. **Obtain financing/resources for your exports** - You will almost certainly need to finance your export efforts in some way and you will have to give thought to how much you need and where you will find the money. You may also need to find the staff and facilities necessary to support your export activities.
10. **Managing your export risk** - When you negotiate and eventually sign an export contract, you need to be aware that you are committing your firm to certain responsibilities (such as delivering on time and according to a certain standard) and that you are making certain assumptions about your business partner (that they will pay, for example). These responsibilities and assumptions represent a serious risk for your firm and you need to be aware of what these risks are and you need to take steps to manage these risks as best as possible.
11. **Promoting the firm and its products abroad** - This involves letting the world know about your firm and what it offers and there are many promotional channels that you could use (such as advertising in trade magazines, e-mail marketing or participating in a trade fair). The channel you use will depend on what your promotional strategy is that you outlined in your export plan.
12. **Negotiating and quoting in export markets** - You need to approach your customers, convince them to buy from you, negotiate a deal and price that that find acceptable, and present them with a quote (usually in the form of a proforma invoice).

13. **Revising your export costings and price** - Following your negotiations, you will likely have to consider lowering your price or other sales terms. This may require you to revisit your costing exercise and pricing strategy.
14. **Obtaining the export order** - This is all about closing that sale and signing the contract!
15. **Producing the goods** - With the export order in hand, you now have to get down to producing the goods that you have promised to deliver. This will mean securing products, packaging and labeling the goods for export.

E: EXPORT TRANSPORTATION AND LOGISTICS

16. **Handling the export logistics** - You have to get the product from your facility to your customer and you will need one or more forms of transportation to do this.

F: EXPORT DOCUMENTATION AND PAYMENTS

17. **Handling export documentation and export payments** - A lot of paper work will accompany each consignment. You need to ensure that your export documentation is in order so that you can ensure export payment for your goods.
18. **Providing follow-up support** - Customers will want to be ensured that you will help them if something goes wrong with your product. To this end, you will need to consider what warranties and guarantees you will offer your customer, as well as what support you will provide them.
19. **Getting paid** - An important part of the export process. There are many options and processes to understand.

G: EXPORT MANAGEMENT

20. **Reviewing the export process** - To ensure a successful export department, you will want to review and improve your export process.
21. **Export management** - The process does not end here. It needs to start all over again with your next customer. This is the focus of export management and involves the way you organise your export department.

