Marketing Consultancy Division (MCD)

Export Consultancy Unit (ECU)

Export Bulletin No. 1

Export Strategy
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Introduction

Exporting is an exciting and dynamic activity, which if undertaken professionally, can reap rewards for both the exporting company as well as the eventual overseas customers. Today global communication and access to the internet has opened up speedy means of communications that did not exist just a few years ago - this has lead to considerable opportunities becoming available for export marketing, corporate growth and profitability. Exporting can, therefore, offer considerable opportunities for many companies in the KSA and is an important factor to consider when looking at expanding local markets and also developing business opportunities and exposure to international markets.

In the current business environment, exporting is a major mechanism to grow business for many companies while for others, exporting offers the advantages of a larger market with greater economies of scale - as the international market is considerably larger and more competitive than the domestic market and growth rates in many of these markets far outpace the local market levels. Exporting can also provide some companies with opportunities to develop new products for the local market, as it is a learning experience that can benefit the country while at the same time generating greater profit opportunities for the company itself. Meeting and beating competitors abroad can help a company to keep its edge over local competitors and exporting can, therefore, be a very profitable business. But, there are real costs and risks associated with it, which must be balanced and evaluated against corporate needs and policies.

Export success can be achieved by having good products to sell at a reasonable price, an organisational structure that optimises corporate and staff performance, and an awareness of the exporting rules, and regulations and any trade barriers in each of the targeted export countries. The following notes are intended as a general guide to exporting companies to provide direction indicators for the way ahead - which can, hopefully, save time, and help avoid frustration. It is intended, over several Bulletins, to provide the exporting company with a basic guide to exporting, which is intended to assist the company to develop and establish a profitable presence in export markets. The
The guide is not intended to answer all questions about exporting but is a step-by-step approach to help avoid many of the pitfalls by identifying the basics exporting parameters and procedures.

The keys to successful exporting are commitment and planning. Commitment is something that must be provided by the exporting company while planning helps to provide focus on the various options for exporting, policies and actions required to be a success, timetable for achieving set goals, and the resources required - in terms of manpower, funds and time. If there is a single key to success it is 'professionalism'. A thorough professional approach is the only way that is likely to produce sustained overseas success, and generate the future rewards that can be achieved through successful implementation of corporate strategies and policies for exporting. A casual approach to exporting may initially produce short-term results, but in the long-term it is more likely to generate frustration, possible financial loss, and a general negative view of exporting.

In the past it was not always possible for some manufacturers to export to various countries because of local tariffs and quotas on imports. However, in recent years as tariff barriers have been eroded or eliminated by various trade arrangements and through the work of the World Trade Organisation (WTO), the exporting companies have been able to consider new market possibilities. However, the exporting company could come up against a possible hurdle relating to trade barriers - generally referred to as 'technical' or 'non-tariff' barriers, these are basically national technical requirements that arise from local laws, regulations and standards, together with conformity certification schemes, which may affect the design, manufacture, markings and use of some products in the concerned target country. Many of these technical barriers to trade have not been erected consciously to keep exports out, but are either an inherent part of the structure of the importing country, or the outcome of a historical situation. In the majority of cases these barriers are not in any sense new and have existed for some time. They have become more apparent in the last decade due to the substantial increase in trade between nations and the associated increase in competition for the markets involved.

Eventually, exporting is also about covering real costs, obtaining a justifiable return on funds employed and ensuring payment for goods supplied. Exporting that is not viable in the long-term wastes resources and could result in company failure. Whatever the products or services, the export company will
always need to have an understanding of the local needs and customers in the target country, familiarity with export rules and regulations, knowledge of export pricing requirements, cost of freight and distribution in the export market, services to be provided in the marketplace, and any competition and relevant cultural factors.

**General Synopsis**

Exporting is a very broad subject that covers a wide field of activities and requires a range of skills. As stated earlier, the intention of this Bulletin is to cover, over a period of time, a range of subject matter relating to the various aspects of exporting and to guide potential exporting companies in their endeavours to develop and/or expand their own export capabilities.

On a broader basis, exporting companies also needs to address their reasons for wanting to export, in terms of: (a) **strategy** - why export, (b) **research** - getting to know the various marketplaces, (c) **sales and marketing** - identifying customers and markets, (d) **finance** - ensuring payment for goods supplied, (d) **freight and documentation** - minimising delivery delays, and (e) **after-sales support** - system for providing spares, servicing, warranty claims, etc. As will be seen, the exporting process has several steps and a broad range of subjects that are encompassed in this process. So, in order to cover the subject in a meaningful way, the Bulletin will, over a period of time, cover the following subjects:-

- **Export strategy** - taking the decision, assessing a product's export potential, value of the planning process, and approaches to exporting.
- **Market research** - identifying international markets - methods, approach and source of market research.
- **Selling overseas** - responding to enquiries, business practices, building working relationships and developing strategic alliances.
- **Preparing products for exporting** - product preparation considerations, product adaptation, engineering/redesign, branding, labelling and packaging.
- **Pricing, quotations and terms** - the export transaction, price considerations, costs, market demand, competition, terms of sale, and methods of payments.
- **Methods of exporting & channels of distribution** - indirect or direct exporting and distribution considerations.
- **Documentation, shipping and logistics** - freight forwarding, packing, labelling, documentation, shipping, insurance.
- **Export regulations, customs benefits, and tax incentives** - export and import/customs regulations in target territories.
- **After-sales service** - delivery options, legal considerations, new sales opportunities, warranties, servicing.
- **Business travel abroad** - planning an itinerary, business preparation, cultural factors.
- **Technology licensing and joint-ventures** - developing opportunities.

The Bulletin starts with the subject of export strategy and covers the various facets that a potential exporting company may need to initially consider before it takes a decision on whether it should export.
EXPORT STRATEGY

Knowing where to start is sometimes the hardest part of exporting. It is often influenced by the potential exporting company’s knowledge of its products and/or services, an understanding of the world trends in its industry/market sectors, or intuition/gut-feel about likely new market opportunities. The next stages of using this knowledgebase is to initially test and confirm market potential and then ultimately convert this information into a working plan that can be meaningful and worthwhile.

In the following sections, various aspects relating to the formulating of export strategy are identified in a step-by-step basis. These should assist the potential exporting company to acquire a broader insight on how to cohesively address the various facets of exporting in order to ascertain whether exporting is a viable option for the company. It should also provide an overview of export mechanisms that are available and start to provide the potential exporting company with the tools required to convert overseas business potential into reality and ultimately into generated profits for the company.

Evaluating Export Capability

There are several ways to gauge the overseas market potential of products and services. One of the ways is to assess the product’s success in its own domestic market. If a company has been successful in selling in to its local market, there is a good chance that it could also be successful in markets that use the same products overseas – where similar needs and conditions exist. In markets that differ significantly from the local market conditions, some products may have limited potential due to a host of reasons which could stem from differences due to: (a) social, cultural and/or environmental factors, (b) local availability of raw materials and/or product alternatives, (c) lower wage and currency conversion structures - leading to a lower purchasing power, (d) lack of availability of foreign exchange and/or government import controls, and (e) a range of other possible factors. Other ways of gauging overseas markets is by: (i) undertaking primary and secondary market research, (ii) securing/purchasing any available market reports, (iii) evaluating foreign trade statistics, and (iv) through public/private sector market intelligence reports on specific markets, etc.
If a product is not new or unique, market research may already be readily available to the public and it could be used to assess the exporting company's overseas market potential. In addition, international trade statistics can provide a preliminary indication of export markets for a particular product by showing where similar or related products are already being sold in significant quantities. If a product is unique or has important features that are hard to duplicate abroad, there may be good opportunities to find it an appropriate export market. For a unique product, competition may be non-existent or very minimal, while demand may be relatively high.

Even if local sales of a product are declining in the domestic market, sizeable export markets may exist and only need to be identified. Such markets may have a reasonable demand for KSA products and provide the exporting company with an opportunity of maintaining or expanding its local production to meet foreign demands.

Preparing for Export

Establishing the potential export company’s short, medium and long-terms goals (for both domestic and export markets) is essential in order to provide corporate direction and to enable the company to develop future corporate strategies and policies on both an internal and external basis. Undertaking this evaluation will also assist to determine the company’s ability to export and its level of readiness. Once the company starts investigating its export potential, it must also consider addressing a number of internal factors, such as:-

- What does the company want to gain from exporting - what are the specific reasons for exporting:-
  - Short-term, stop-gap measures to stabilise business.
  - Long-term plan to establish other sources of business.
  - The extension/expansion of market opportunities.
  - To iron out variations and sustain cashflow.
  - Any other reasons.

- What demands will exporting place on the company’s key resources and how will these demands be met, including:-
  - Management and personnel requirements.
  - Production capacity - to deal with the potential domestic and overseas demand.
Corporate financial requirements needed to develop export markets.

Any other reasons.

- Are the expected benefits from exporting worth the costs, could the company's resources be better used for developing new domestic opportunities:
  
  o Are the reasons for exporting justified technically, commercially and financially.
  
  o Will exporting put pressure on the organisation's internal resources, including manpower, cashflow and other financial resources.
  
  o Any other reasons

Constructive answers to these questions can help a company to decide: (a) whether or not to export and (b) ascertain what methods of exporting should or could be utilised and is going to be most appropriate for the exporting company.

Following the internal assessment, it is also important for the corporate management to examine the impact of exporting on the overall performance of the company. There are various management issues involved in the decision to export that must be understood, evaluated and costed before a final corporate decision can be taken to export. These include (i) management objectives, (ii) corporate experience, (iii) identification of available management/personnel capabilities, (iv) likely production capacity needed, and (v) corporate financial capability. It is, therefore, important for the management to identify and address these issues prior to a decision being made to export.

**Approaches to Exporting**

The methodology a company chooses to export its products can have a significant effect on how its export plan will be designed to operate. It will also need to identify the specific marketing strategies and policies that need to be implemented in order to achieve the required export success. The basic distinction amongst the various approaches to exporting relate to the company's level of involvement in and commitment to the exporting process. The following are the main approaches to exporting, which may be used either
singly or in any combined permutation to provide the maximum benefit to the company:-

- **Indirect Exporting**

  The principal advantage of indirect marketing is that it is a mechanism to penetrate export markets without the complexities, costs and risks of direct exporting. There are a number of options available to an exporting company for indirect export. These minimise the exporting risk for the supplying company, could keep it at arms length from its export markets but can give the exporting purchaser a higher profile and more control in the export market. The mechanisms available for indirect exporting include:-

  o **Supplying products to domestic purchasers (export agents, merchants, re-marketers)** - who export products to destinations that are likely to be unknown to the supplying company. This type of sale is impossible to differentiate from other domestic sales as far as the original selling company is concerned.

    In this case, the domestic purchaser decides that some selected product meets certain foreign demand and takes it upon itself to export these products. The domestic purchaser purchases the products directly from the supplying company - possibly packing and marking the products according to its own specification. Then sells the products overseas through its contacts and in its own names and assume all risks for these sales. The domestic purchaser, therefore, takes all the risk and handles all of the exporting details - in many cases without the knowledge of the exporting company.

    For the supplying company, this situation could have an adverse effect on future sales efforts abroad if the product is under-priced or incorrectly positioned in the market, or if after-sales services are neglected. On the other hand, the effort required by the supplying company to market the product overseas is very small and may lead to sales that otherwise would take a great deal of effort to obtain.

  o **Seeking out domestic buyers who represent foreign end-users or customers** - these potential buyers could be a potentially large market for a wide variety of goods and services. In this instance, the supplying company may know its product is being exported, but it
is still the local domestic purchaser who assumes the risk and handles the export details.

Confirming houses or buying agents, can be classed in this category. They seek to obtain in this case, through imports, predetermined required products at the lowest possible price and are paid a commission by their foreign clients in the importing country. In some cases, they may be foreign government agencies or quasi-governmental firms empowered to locate and purchase specific products - e.g. foreign government purchasing missions.

- Exporting indirectly through known/selected intermediaries/agents (export trading companies) - with this approach, the supplying company engages the services (at an agreed cost) of an intermediary firm (export trading company) capable of finding foreign markets and buyers for the company's range of products.

An export trading companies is generally an independent company acting as the exporting arm for one or several local companies who are producers of goods and/or services. It represents these companies and solicits and transacts business on their behalf either in their name or in its own name for a commission, salary, or retainer plus commission basis. Some export trading companies can provide immediate payment for its sponsor's products by either arranging financing or directly purchasing products for resale. In reality only large export trading companies can afford to purchase or finance exports - Japanese trading houses are a prime example.

Generally, export trading companies specialise by product or by market area, and sometimes both. Because of their area of specialisation, the export trading companies generally know their products and markets very well and usually have well-established networks of foreign distributors already in place. This immediate access to overseas markets is one of the principal reasons for using export trading companies. For a local supplying company to try to identify, locate and establish a good working relationship with an overseas representative, in the export countries, could be a costly and lengthy process.

Obviously, one disadvantage of using an export trading company is that the supplying company may lose control over its foreign sales.
Most local supplying companies are likely to be concerned that their product and company image should be well maintained in overseas markets. However, one way for the supplying company to retain control in such an arrangement is to carefully select the export trading company and ensure that it can meet the supplying company’s needs and then maintain close communication with it. In this way, the supplying company can still retain considerable control over the process and can attain some of the other benefits of exporting, such as being able to control export pricing, learning more about its foreign competitors, assessing new technologies in the market, and evaluate other market opportunities.

It can, therefore, be seen that in the former two cases, the supplying company does not have directly involvement in the exporting of its products, but in the latter case, the supplying company has some indirect involvement in the exporting procedure due to its closer relationship with the export trading company.

- **Direct Exporting**

  This approach is the most ambitious and difficult, since the supplying company takes on the responsibility of an exporting company and will, therefore, needs to handle every aspect of the exporting process from market research and planning to setting up local distribution/agency network in each of the export markets, setting pricing structures and arranging freight collection and forwarding facilities. However, the advantage of direct exporting ensures more control over the export process, potentially higher profits, and a closer relationship to the overseas buyer and marketplace. Consequently, a significant commitment is required from management to devote more time, personnel and corporate resources to securing long-term positive results. This is also the approach that is likely to be the best way to achieve maximum profits and long-term growth. With appropriate help and support from the company’s export distributors/agents, it bankers and freight forwarders, and other service groups, any local company can export directly if it is able to undertake some homework on the export countries concerned and commit enough staff time to the effort of exporting.

  When a company chooses to export directly to foreign markets, it usually needs to make internal organisational changes to support the
more complex functions needed to manage both domestic and export markets. A company exporting directly normally identifies and selects the markets it wishes to penetrate, chooses the best channels of distribution for each market, and then makes specific foreign business connections in order to sell its product.

Those local companies who cannot make this full-time commitment to exporting, should then consider utilising the services of an export trading company, or a confirming house, or another qualified intermediary to undertake the work on their behalf.

To sum up, if the nature of the exporting company's goals and resources makes the indirect method of exporting the best choice, then further export planning requirements are minimal as the onus will then shift to the domestic purchasers to export. In such a situation, the main task for the company is to find suitable intermediary firms that can then export to the identified overseas markets. Obviously, companies that are new to exporting or are unable to immediately commit staff and funds to the export activities, may initially find the indirect methods of exporting more appropriate. An exporting company may also choose to gradually increase its level of direct exporting over a period of time, after experience has been gained and sales volume appears to justify added investment for direct exporting. On the other hand, other more experienced and adventurous companies may decide to enter the export market directly, after first having identified the specific market requirements for themselves.

Export Planning

Building an international business base takes time and an exporting company may not see a return on its investment of time and money for some time - this could be anything upto 3 - 5 years. By committing to a written plan, top management can make sure that the exporting company will be able to concentrate its attention on those factors that can minimise its time and costs and maximise it exposure while it is establishing a foreign presence. Export planning is, therefore, extremely crucial in determining future resource requirements and market opportunities. For these reasons it is important to initially consider some factors including: (a) the ramifications of dealing at a distance and across borders (and often time zones), (b) planning for success as well as for potential hurdles that may be encountered, and (c) assessing the cost of expanding the market after a successful entry. Formulating an export strategy based on good information and proper
assessment of markets, increases the chances that the best options will be chosen, that resources will be used effectively, and that efforts will consequently be carried through to positive and profitable completion.

It is with some regret that many organisations commence exporting activities in an unsystematic manner, without undertaking appropriate market research or identifying options and specific opportunities for market entry. While these organisations may or may not be successful in their exporting endeavours, they may inadvertently overlook better and more opportune export opportunities. In the event that any early export efforts are unsuccessful due to poor initial planning, the company may even be misled into believing that it does not have potential in overseas markets and it may, therefore, consider abandoning exporting altogether.

It is also important that all personnel likely to be involved in the exporting process participate in the development of a successful export plan. This is necessary to ensure that all those people, who will ultimately execute the plan, agree upon all its aspects and know their specific roles and responsibilities in the future implementation of the plan.

The main purpose of export planning is to succinctly identify specific export opportunities, clearly focus on how to address these opportunities, and develop an action plan to convert these opportunities into profitable business. The plan should, therefore, assemble facts, identify constraints, and goals – in essence to undertake a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) for each export market. Secondly, to create/generate an action plan that takes all of these into account and identifies the responsibilities of the relative people in the organisation who will be responsible for exporting and the specific actions they should undertake. To identify future direction and motivate staff, the plan should include:- (a) specific objectives, (b) a timeframe/schedule for implementation of the agreed objectives, (c) identify milestones so that the level of success can be measured against planned objectives, and (d) identify the specific actions required and responsibilities of individual corporate personnel who will undertake these tasks.

It is important that the export plan is written in a clear and concise manner so that everyone understands it and it is easily implementable. It should also form a record of future action that can be used as a basis for future corporate development. For these reasons, a clearly written plan can offer a range of benefits:-
• It provides management with a clear understanding of what will be required and helps to ensure a commitment to exporting.
• It cannot be easily forgotten or overlooked, or even ignored by those charged with executing it.
• It allocates staff responsibilities and provides a mechanism for an evaluation of results.
• It can be easily communicated to others and is less likely to be misunderstood, as it provides a written record of actions required.
• It can display its strengths and weaknesses more readily and it is, therefore, of considerable assistance in formulating and polishing export strategies.
• If any deviation(s) from the original plan occurs, it is more likely to be due to a deliberate choice rather than a misunderstanding of the of the written plan.
• It can also be of help in seeking and securing corporate finance, as it can indicate to potential lenders a serious approach to business matters.

The initial draft of the export plan is likely to be relatively short and simple, but it should and will become more detailed and all encompassing, over time, as the corporate management learn more about exporting in general and, more specifically, their company’s competitive position in export markets. To be able to address the major factors relating to exporting, the following questions should be considered and addressed in the plan:-

1. Country-wise
   o What countries have been selected.
   o What is the basic customer profile for each country.
   o What are the various parameters pertaining to each market – undertake a SWOT analysis which should include details on competition, cultural differences, import controls, etc.
   o Within each selected country, what marketing and distribution channels are available and which should be used to reach the customers.
   o What corporate strategy will be utilised to address the specific country challenges.

2. Product-wise
   o What products have been selected for the export market.
3. Planning-wise

- What specific and identifiable operational steps must be taken and in what timescale.
- What will be the timeframe for implementing each element of the plan.
- What personnel and company resources will be dedicated to exporting.
- What will be the cost in time and money for each element of the export plan.
- How will results be evaluated and used to modify/correct the plan in the future?

**Organisational Structure for Exporting**

A company new to exporting generally treats its export sales activities no differently to its domestic sales operations - using existing personnel and organisational structures. As international enquiries and sales operations increase, the company may separate the management and operation of its export activities from its domestic sales. The advantages of separating international and domestic business enables the centralisation of certain specialised skills needed to deal with international markets and the benefits of a focused marketing effort that is more likely to increase export sales. A company separating international from domestic business may undertake this action at different levels in the organisation to more readily fit into its existing organisational structure.

Larger companies, at advanced stages of exporting, may choose to establish an international division that segregates the export markets and apportion territories along either product or geographic lines. For an exporting company with distinct product lines, it may be appropriate for it to create an international department for each product division, while a company with products that have common end-users may wish to organise on a geographic basis. However, a single export manager, who has responsibility for the full range of international activities, may satisfy a small company’s initial export needs. Regardless of how a company organises its exporting efforts, the key to success is to facilitate the job of marketing and sales. Good business
development and marketing skills can assist the export company set up commercial sales operations in an unfamiliar market. Experience has shown that a company’s success in foreign markets depends less on the unique attributes of its products than on its own marketing abilities and methods.

**Overseas Networks**

Once a company has organised itself to handle exporting matters, a proper channel for product distribution needs to be carefully identified and selected for each export market selected. Product distribution channels can be set up though the local presence of sales representatives, or agents, or distributors, or retailers, and/or directly to end-users. Eventually, once fully established in a country, the exporting company may well wish to register its corporate entity in the country and establish its own offices and sales/distribution structure and network.

**Sales Representatives/Agents**

Generally, a sales representative/agent usually handles many complementary lines, from various manufacturers, that do not conflict with each other. The representative/agent usually works on a commission basis, assumes no risk or responsibility, and is under contract for a definite period of time (renewable by mutual agreement). The contract defines area/territory of operation, terms of sale, method of compensation, reasons and procedures for terminating the agreement, and other relevant details. It is important to note that any contract raised, should state whether the representative/agent does or does not have legal authority to obligate the exporting company. The sales representative/agent may operate on either an exclusive or a non-exclusive basis.

The exporting company’s overseas sales representative/agent can be equated to its sales-force in its domestic market. The overseas sales representative/agent uses the company’s product literature and samples to present the products to potential buyers in his allocated export territory.

**Distributors**

A distributor is a merchant/organisation that purchases goods from an exporting company, at agreed discount levels, and resells it in the export market for a profit. The terms and length of association
between the exporting company and the foreign distributor are established by contract.

The foreign distributor generally provides support and service for the product, thus relieving the exporting company of these responsibilities. Although at a later stage, the exporting company may have a sufficiently large business operation in the export territory concerned, that the it may decide to set up a service facility directly owned and controlled by the exporting company.

The distributor usually carries an agreed level of inventory of products, a sufficient supply of spare parts, and also maintains adequate facilities and personnel for normal servicing operations. Distributors typically handle a range of non-conflicting but complementary products from various suppliers.

**Overseas Retailers (for fmcg products)**

An exporting company in the consumer sector (fmcg - fast moving consumer goods) may also sell directly to overseas retailers. The growth of major retail chains in various overseas markets has created new opportunities for this type of direct sale. This method relies mainly on travelling sales representatives who directly contact foreign retailers - although results could also be achieved through direct mailing catalogues, brochures, or other literature. The direct mail approach has the benefits of eliminating commissions, reducing travelling expenses, and reaching a broader audience, however, the sales-hit levels may be reduced due to direct fact-to-face sales contact not being established.

**Direct Sales to Public/Private End-Users**

Exporting companies may also be able to sell their products or services directly to end-users in foreign countries - both in the public and private sectors. These buyers can be foreign governments, institutions such as hospitals, banks, and schools, or businesses. Potential buyers in these countries can be identified at trade shows, or through international publications. In this instance, it should be noted that where products are sold in such a manner, the exporting company is responsible for shipping, payment collection, and product servicing - unless other arrangements have been made before hand. In such cases,
the cost of providing these services should be built into the export price, otherwise the exporting company could inadvertently reduce its own profitability.

Export of Services

It is estimated that, on average, the current world trade in services constitutes about 20% of overall international trade. Since a fifth of world trade is in the service sector it is perhaps worth providing some information for this market sector. The income generated through the sale of 'services' abroad is just as important to the local economy as income resulting from the production and export of manufactured goods. In view of the shift toward services both domestically and internationally, those local companies who have 'services' to offer could become participants in world trade, provided that they are offering 'services' which can be positively marketed in an export environment – these primarily tend to be those that are highly innovative, specialised or technologically advanced in nature. It should be noted that some 'services' as well as some 'products' may not be exportable and may only be able to thrive within a domestic market situation. For these reasons, service providers considering exporting should research their prospective export markets thoroughly prior to taking any decision to export.

As a direction indicator, services in the following areas have been internationally exportable in the past:

- Banking and financial services
- Management consultancy services
- Accountancy services
- Computer, data, internet, and telephone services
- Insurance services
- Construction, design and engineering

There are many obvious differences between services and products and the main features that differentiate exporting services from exporting products are identified below:

- Services are less tangible than products.
- The intangibility of services also makes financing more difficult.
- Selling services is more personal than selling products, because it quite often requires direct involvement with the customer.
• Services are much more difficult to standardise than products as service activities must frequently be tailored to the specific needs of the buyer.

Demand for certain services can also be derived though their providing support for product that have already been exports. Many exported products need to be supported by various types of service activities such as after-sales, installation and commissioning, and service and maintenance. In many cases, services can be crucial in stimulating product export and can be a critical factor in maintaining such exports. However, in such cases, services follow products rather than taking the lead over them.

Companies in purely the service sector, working with local manufacturing companies can ascertain whether these manufacturing firms are operating internationally and aim/offer to provide service support for these manufacturers abroad. For service providers whose activities are independent from products, a different strategy is required as these companies search for market situations abroad that are similar to the own domestic market. Leads for service activities can also be gathered by maintaining information on international projects financed by organisations such as the World Bank Group and the various UN bodies, as very often such projects are in need of service support.

**Marketing Tools**

Promotional materials reflect a company’s professionalism and a customer’s first impressions are often the ones that last the longest and determine the future possibility of obtaining and developing business. It is, therefore, most important that a good first impression be made - whether exporting directly or indirectly. In this respect the following checklist of potential marketing tools need to be seriously considered:-

• Business Cards - of good quality and professionally designed.
• Literature - needs to be creative and appealing.
• Customer testimonials - confirming the capability of the company concerned.
• News articles - confirming the company is a recognised entity within its industry.
• Videos (where appropriate) - to be creative and interesting.
• Website - need to be comprehensive and informative.
It is possible that the exporting company may now feel that a major task has been accomplished when it has finalised the export strategy, but this is just the beginning. Other aspects of exporting will be outlined subsequently.

However, for the time being, the potential exporting company need to be on the lookout for new opportunities and new markets and look at the longer-term implications of how markets are growing and what new products are going to be required. Part of dealing with the future will be to recognise the successful formulae that can be transferred from one market to another. The company will also need new ideas and new strategies, which means that it will need to review and update its business strategy on a regular basis and possibly generate new plans for future exporting activity.

Most importantly the exporting company needs to ensure ongoing commitment and continued enthusiasm for exporting. As in any business venture, the most important people for any company are its customers and it should be a corporate policy to keep them happy wherever they are in the world.