



---

## Twelve Keys to Export Success

### Introduction

[Reprinted From The International Trade Resource Directory – March 2008]

There is profit to be made by US firms in exports. The international market is more than four times larger than the US market. Growth rates in many international markets far outpace domestic market growth. And meeting and beating innovative competitors can help companies keep the edge they need at home.

There are also benefits to exporting other than increased sales. Exporting can mean a more efficient use of production costs and capacity. Fixed production costs spread out over a larger sales base can increase profits, which may allow for price reductions and subsequent increases in sales volume. And excess production capacity, experienced during off peak seasons domestically, can be applied to export market promotion.

However, there are also real costs and risks associated with exporting. It is up to each company to weigh the necessary commitment against the potential benefit.

Twelve important recommendations for successful exporting should be kept in mind:

1. Obtain qualified export counseling and develop a master international marketing plan before starting an export business. The plan should clearly define goals, objectives and problems you may encounter.
2. Secure a commitment from top management to overcome the initial difficulties and financial requirements of exporting. Although the early delays and costs involved in exporting may seem difficult to justify in comparison with established domestic sales, the exporter should take a long range view of this process and carefully monitor international marketing efforts.
3. Take sufficient care in selecting international distributors. The complications involved in overseas communications and transportation require international distributors to act more independently than their domestic counterparts.
4. Establish a basis for profitable operations and orderly growth. Although no overseas inquiry should be ignored, the firm that acts mainly in response to unsolicited trade leads is trusting success to the element of chance.
5. Devote continuing attention to export business when the US market booms. Too many companies turn to exporting when business falls off in the United States. When domestic business starts to boom again, they neglect their export trade or relegate it to a secondary position.

6. Treat international distributors on an equal basis with domestic counterparts. Companies often carry out institutional advertising campaigns, special discount offers, sales incentive programs, special credit term programs, warranty offers and so on in the US market, but fail to make similar offers to their international distributors.
7. Do not assume that a given market technique and product will automatically be successful in all countries. Each market has to be treated separately to ensure maximum success.
8. Be willing to modify products to meet regulations or cultural preferences of other countries. Local safety and security codes as well as import restrictions cannot be ignored by foreign distributors.
9. Print service, sales and warranty messages in locally understood languages. Although a distributor's top management may speak English, it is unlikely that all sales and service personnel have this capacity.
10. Provide readily available servicing for the product. A product without the necessary service support can acquire a bad reputation quickly.
11. A licensing or joint venture agreement could be the solution to certain obstacles to trade, such as import restrictions, insufficient personnel/financial resources or too limited a product line. Many products that compete on a national level in the United States can be successfully marketed in most countries of the world. A licensing or joint-venture arrangement may be the simple, profitable answer to any reservations.
12. If a firm decides it cannot afford its own export department (or has tried unsuccessfully), it should consider the possibility of appointing an appropriate export management company (EMC).

*Excerpts from: A Basic Guide to Exporting published by the US Department of Commerce:*

---

<http://www.unzco.com/basicguide/index.html>