

Get Out of the Country and Grow!



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Exporting is a good way to expand almost any manufacturing business. It will also work in a number of service-based industries. It can be done using an existing product range and simply extending product production output. It can open up new markets by targeting areas where there is no direct competition, or be used to reduce a dependence on domestic markets that are being oversupplied. Many small businesses have the potential to become exporters but shy away from doing anything about it because they think it means learning a new way of doing business. Others don't try because they believe exporting is only for the bigger business.

There's *some* truth in both beliefs of course – but it's not the whole truth. Exporting does mean learning a lot of new things about business. It's also very good for bigger firms – but in reality they account for less than 20% of exporters in the U.S. and about the same rate in the UK, Canada, Australia and New Zealand. The rest of the exporters in these countries are small companies taking advantage of the tremendous opportunities that exist offshore. Even a country like China, a major exporter itself with an economy driven by wages that are extremely low when compared to developed western nations, imports. And nearly 50% of all American firms exporting products to China are small businesses with less than twenty employees.

It takes time to organise

This doesn't mean it's going to be easy. Exporting takes a lot of research and preparation. It means dealing with new markets, new customers, new systems of distribution and new legislative environments. And sometimes, getting acquainted with different approaches to doing business. All this takes time, and it's measured in years rather than months, unless you're especially lucky. Be prepared to make some mistakes, because you will, and it's highly possible that someone on the other end will let you down at some stage in the process. If you don't intend to persevere, then don't start the journey.

Look before leaping

Research is essential. You're dealing with a new market in which you have no experience and a lot of what you know from your domestic marketing will possibly be of little use over there. There are legal issues, distribution challenges, possible new competitors and a whole raft of other unknowns that need to be sorted out first. Government agencies can be very helpful to first-time exporters. Always check with them to see what they can do to assist. Be sure to get their advice on the legislation that applies to exports in both countries to avoid the risk of penalties.

Tap into your cash flow

As well as time, you need some additional cash to bankroll an export drive and it probably won't show any dividends for a much longer time than your domestic activities, so watch your cash flow requirements. You need to be certain this won't have a negative impact on your existing marketing. Where many would-be exporters come unstuck is dealing with currency matters. Fluctuations in exchange rates can be a disaster unless you've covered yourself. Get expert financial advice and try as much as you can to have contracts written in your currency rather than the other country's money.

Never walk alone

Give serious consideration to finding an established and knowledgeable partner in your new market – someone whose business is compatible with yours, or else an agent that specialises in imported products and has a track record of success with other foreign manufacturers. There are some things you must arrange by yourself locally of course, including functions such as shipping and customs clearance and the all-important financial transaction tracking and accounting.



Want to find out more? Need some advice on exporting or establishing your business internationally?

Call today on 01743 249992, or
Email: outsourcing@cb-solutions.co.uk

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