

EXPORT START GUIDE

A PRACTICAL GUIDE
TO DOING BUSINESS
IN OVERSEAS
MARKETS



DEVELOPED BY:



www.exportstartguide.com



Export Start Guide is a joint initiative developed by Invest Northern Ireland, Chartered Accountants Ireland and Enterprise Ireland to help businesses to export. It highlights the benefits of exporting and includes practical advice on selling internationally, along with real-world case studies taken from the experiences of companies that are already successful in overseas markets.

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Invest Northern Ireland and Enterprise Ireland are pleased to partner with Chartered Accountants Ireland to publish this Export Start Guide, which is a practical resource for our companies to help them develop and implement successful international growth strategies.

High growth firms deliver a greater number of jobs than moderate growth firms. To maximise the export and employment gains for our economies, we must build more companies of international scale.

This guide provides information to help companies to research market opportunities, evaluate market readiness, identify routes to market and assess competition.

It also includes information on developing export selling skills and contains a practical 'how to' guide to assist those who wish to establish a presence in their target market.

Global teams in Invest Northern Ireland and Enterprise Ireland connect hundreds of local companies to thousands of global buyers.

Find out more at:

www.investni.com/export

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Chartered Accountants Ireland is the largest and longest-established professional body of accountants in Ireland. Our members are proud of the contribution that the profession makes to the economy of the island of Ireland and beyond.

We are also proud of our heritage as an all-island body. Our Institute is one of the few organisations, outside of sport, to retain an all-island status throughout years of political instability and change. So we are delighted to collaborate with both Enterprise Ireland and Invest Northern Ireland on this Export Start Guide.

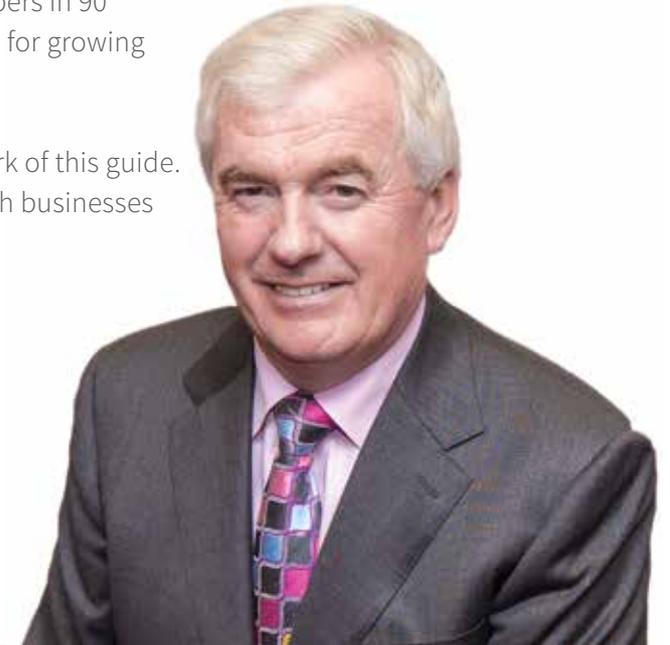
Chartered Accountants work in every type of industry, many of which export. They are also key advisers to local businesses. We also have 4,500 members in 90 countries, who have the potential to be instrumental in-market contacts for growing businesses as they expand beyond these shores.

As an Institute, we are very well positioned to support the important work of this guide. I am confident that our members will use the information to support Irish businesses as they seek out new horizons, new markets and new opportunities.

Find out more at:

www.charteredaccountants.ie

Pat Costello
Chief Executive
Chartered Accountants Ireland





WHY EXPORT?

**Benefits of selling
internationally**

The case for exporting

Exporting is more important to the economies on the island of Ireland than is the case for almost any other country in the world – in fact, much more important to the island than it is for large economies such as the USA, Germany or China. Consequently, thousands of our companies have developed formidable skills as exporters and are already doing business successfully in all corners of the world. See some examples from Enterprise Ireland <http://www.enterprise-ireland.com/en/Export-Assistance/Get-Export-Ready/Is-exporting-the-right-move-for-your-company/> and Invest Northern Ireland <https://www.youtube.com/user/InvestNI>

This guide presents the benefits of exporting, along with practical advice on the issues to consider when planning your export strategy. In section 4 of this guide, you can read advice on many aspects of exporting from businesses that know what it takes to win in global markets. If you are not exporting already, then why not join the club of successful exporters?

What are the benefits of exporting?

INCREASING SALES

Exporting is one way of increasing your sales. The time may come when you have maximised the sales potential of your domestic market and will need to consider exporting to generate more revenue from an existing product or service. Alternatively, an export opportunity may arise due to international market factors which could generate a demand for your product that did not previously exist.

FASTER GROWTH

Selling in an overseas market can help your business grow at a faster rate than if you were confined to your domestic market.

INCREASING PROFITS

Exports can contribute to increased profits, although this depends on the export market and the unique attributes of each market. Some products – especially those that are unique or very innovative in nature – may command greater profit margins abroad than in your local market. However, it is also not uncommon that you may receive smaller profit margins from your export sales compared with the local market, due to the highly competitive nature of global markets that force exporters to lower prices and squeeze profits.

REDUCING RISK AND BALANCING GROWTH

Another key benefit of exporting is that it allows you to spread risk. By selling in other countries, you are less vulnerable to changes in the domestic economy and less dependent on the buying decisions or demand patterns of a small number of local customers. At any one time, different markets will experience different growth rates. Selling in multiple countries may minimise the risk of low growth in one or more of these countries and result in a balanced portfolio of overall growth.

ECONOMIES OF SCALE

Exporting is an excellent way to drive production to a level that delivers economies of scale, particularly if your product or service is standard across export markets with little or no need for adaptation. Achieving greater economies of scale will allow your business to become more cost-competitive.

EXTENDING THE PRODUCT/SERVICE LIFECYCLE

As a product or service reaches the mature or declining stages of its lifecycle in the domestic market, there may be an export opportunity that provides a new lease of life elsewhere in the world. By targeting a market where this product or service could be introduced, you are essentially extending its lifecycle – generating turnover and profit which would have otherwise declined.

IMPROVED INNOVATION

By exposing businesses to new markets, competitors, processes and technology, exporting can spark ideas for new products, services and processes. Very often, this would not be attained with a narrow focus on the domestic market. Exposure to new customers abroad enhances the skill set of all parts of your organisation, from learning about how

business is conducted, to how logistics function and how different cultures assess your company and its products or services.

GREATER COMPETITIVENESS

Trading in the global marketplace increases your exposure to international best practice, ideas and alternative ways of doing business – improving your chances of competing at home and overseas. By entering new markets, you will gain insight into the trends that are driving developments in your sector, such as new ideas for products or services. It will give you contacts with the key players, decision-makers and influencers; and it will give you insights into how selling, marketing and communications are developing in key markets.

ENHANCED CREDIBILITY

Through selling for the first time in an export market, you will earn greater credibility when looking to open other accounts in that country and in developing business in other nearby markets. Having a reference customer is a key stepping stone to building more business in that market. It might seem counter-intuitive, but winning a prestigious contract overseas can in many cases make doing business in your domestic market easier.



IS EXPORTING RIGHT FOR YOU?

**Questions for your
business**

The relatively small size of the domestic market means many companies looking to expand their business and increase their profits must look to overseas markets for growth. In other cases, new companies begin with the goal of selling their products or services internationally from day one. Thousands of companies across the island are already selling successfully around the world. However, there are risks and downsides to exporting. First, you need to be sure it is the right choice for you and your company. Here are some of the key issues to consider which this guide will outline in more detail in the following sections:

What is different about exporting?

- ▶ Customer needs
- ▶ Product / service use or application
- ▶ Sales channels
- ▶ Logistics
- ▶ Service expectations
- ▶ Culture
- ▶ Environment

IS YOUR PRODUCT/SERVICE FIT FOR MARKET?

One of the critical issues for would-be exporters is whether or not your products or services are suited to a new market. In fact, it goes wider than this: can you replicate the business model you use at home in other markets? Do the factors that allow you to be successful at home exist in other countries, and if so, which ones? If you provide multiple products, are there particular ones more suited to a particular market? Take the time to decide which products or services suit which countries.

HAVE YOU THE REQUIRED AMBITION AND COMMITMENT?

Developing a new business in another market requires great commitment from everyone in your company. In many ways, moving overseas is like starting in business all over again – but with added considerations such as new business cultures, languages and different legal and regulatory systems. Do you have the backing of senior management and the support of your board? Have you told all of your staff about the potential impact to their roles and discussed new working arrangements?

CAN YOU MAINTAIN YOUR EXISTING BUSINESS?

You still need to maintain and develop your existing business while making the move overseas. This fact needs to be included in planning; distracting attention from your hard-won domestic customers could be costly and dangerous.

HAVE YOU THE RESOURCES TO SUCCEED?

Building a sustainable export business is costly, requiring considerable management of time and resources because the lead time between initial contact and agreeing a sale can take years. You need to gauge what will be the financial impact of the move to exporting and the implications of staff travelling abroad frequently – especially the CEO or the senior management team.

HAVE YOU THE CAPABILITY AND CAPACITY TO DEAL WITH LARGER ORGANISATIONS?

Many of your target customers in export markets will be significantly larger than your own organisation, or your current local customers. You need to be sure your business can scale up meet the demands of overseas customers. Keep in mind, this could also include having sufficient staff to cope with the demands of serving clients in other countries where there could be different time zones and languages involved or different service levels expected.

YOU CAN DO IT

Exporting is hard work and there are risks involved, but the potential payoffs are many. If at first it seems daunting, then remember:

- The most successful exporters have built their success on strong international sales and were once where you are now
- In today's global marketplace, if you have been able to survive in your home market then you are already competing successfully with international companies
- There is a wide range of skilled, export-focused sales and marketing people who can guide you and help you to succeed
- There is a wide variety of resources available to you, including dedicated staff at Enterprise Ireland and Invest Northern Ireland.

YOU CAN FIND LINKS TO ONLINE RESOURCES IN SECTION 6 (PAGE 60).

EXPORT CHECKLIST

Questions you need to answer

CAN YOU EXPORT YOUR PRODUCT OR SERVICE?

IS THERE ENOUGH DEMAND FOR YOUR PRODUCT OR SERVICE?

DO YOU HAVE A COMPELLING VALUE PROPOSITION?

DO YOU UNDERSTAND YOUR TARGET MARKET?

CAN YOU MEET THE MARKET'S PRICE EXPECTATIONS?

DO YOU HAVE A DISTRIBUTION AND MARKETING PLAN?

DO YOU HAVE THE CAPACITY AND CAPABILITY TO EXPORT?

HAVE YOU INVESTIGATED PAYMENT ISSUES?

CAN YOU FUND YOUR EXPORT DRIVE?

HAVE YOU COMPLETED AN EXPORT PLAN?



HOW TO EXPORT

**Advice and examples
of key export issues**

Assuming your company commits to exporting, here are the areas you need to look at more closely. This section of the guide examines these areas in more detail, with an overview of each one, as well as case studies from successful exporters and commentary from sector experts.

RESEARCHING YOUR MARKET	PREPARING FOR THE MARKET	ENTERING THE MARKET	OPERATING IN THE MARKET
IDENTIFY THE BEST MARKET	IDENTIFY ROUTES TO MARKET	SET PRICING IN EXPORT MARKETS	PROTECT YOUR INTELLECTUAL PROPERTY
BE AWARE OF BUSINESS CULTURE	FIND PARTNERS/ DISTRIBUTORS	SET UP A COMPANY OVERSEAS	MANAGE EXPORT GROWTH
DEVELOP A VALUE PROPOSITION		FINANCE A MOVE OVERSEAS	MANAGE CURRENCY DIFFERENCES
ASSESS THE COMPETITION			DEAL WITH TAX
			NAVIGATE LOCAL REGULATIONS

HOW TO: identify the best market

To begin with, first-time exporters should consider opportunities in an international market that presents the fewest obstacles. Some of the biggest barriers to doing business overseas are currency, culture, language, opportunity and demand.

Answering the question “what is the best market to sell in?” might not be as easy as it first appears. English-speaking countries may seem like obvious destinations. However, with the exception of Great Britain, other such locations like the USA and Australia are sufficiently far removed from the island of Ireland to present considerable challenges, especially if your company has never exported before. Consequently, the “best market” may not be the one that looks most attractive on paper, but in fact is the one where you stand the best chance of being successful.

There is a strong case for continental Europe as a worthwhile destination for early-stage exporters from the island. It offers an easily navigable single landmass, strong transport infrastructure and a high-income population. Language and business culture, though different to ours, are barriers that

are relatively easy to overcome. For example, the Netherlands has multiple points of access including one of Europe’s biggest ports, a primarily English-speaking business culture, and a high concentration of large multinational companies.

PLANNING

It might seem obvious to say it, but preparation is crucial if you hope to succeed in exporting. Experienced exporters say success in an overseas market is directly linked to how well-prepared the company is. The more knowledge you have in advance about the market, and the more due diligence you have carried out on your target customers and the competitive landscape, the less time you will need to spend in the field testing your thesis. Strong planning leads to better execution. Otherwise, the extent to which you fail to prepare is the extent to which your efforts will fail.

RESEARCH

You are likely to spend a lot of time and money in a new market at first, which makes it essential to have chosen the right one. Talk to agencies that provide a range of supports to exporting companies, such as Enterprise Ireland or Invest Northern Ireland. Avail of market research and economic data to get a feel for what markets have the most opportunities. Attending international trade shows

is a very useful way of showcasing your company to international prospects, while also gauging the extent of competition. Qualifying leads that emerge from such events could also help to guide your company in a particular direction.

LOGISTICS

When assessing a market, consider how easy and cost-effective it is to physically put products or people in the market. Are there several options for you to do so? What implications will it have for providing technical support: do you have sufficient staff resources already, and is your head office geared up to have employees available at different office hours in order to take calls from customers in your chosen market? It’s important to know what export documentation you are likely to need. You should also start thinking about your preferred route to market.

TIPS FOR EXPORT SUCCESS

- ▶ Profile your existing customers in your domestic market – this will indicate some likely export destinations
- ▶ Base your decisions on where to sell through solid market intelligence
- ▶ Combine desk research, attending relevant industry trade fairs, and spend time in your prospect market in person for deeper research.

CASE STUDY:

CARAGH CONSULTING

Mary Donovan is the founder and Principal Consultant with Caragh Consulting (www.caraghconsulting.ie). A Fellow of Chartered Accountants Ireland, she was previously a senior executive at Diageo and has more than two decades' experience in designing and implementing successful change projects in large global organisations. Here, she offers advice to new exporters about how to identify the most suitable markets for their products and services.

HOW CAN COMPANIES DECIDE ON THE MOST SUITABLE EXPORT MARKET FOR THEM?

There is no point in picking a market if it doesn't have the type of customers you're trying to attract. It has to be cost-effective to reach them and you have to deal with whatever that throws back at you. So, if those customers are in Germany, you will have to deal with language issues and everything else that comes with that market.

For companies that already have a local customer base, they should already have a good understanding of their customer profile and through that, they can see if that profile shows up in other markets, allowing for the fact that you might have to customise your product in some way.

You go in on what is the true market size – the size of the customer base you're trying to attract: the overall market might be very big but the addressable market might be quite small and niche. Then, you need to look at what is the growth potential in that market. But maybe the upside isn't great, or else the market itself might be small but the upside potential is quite significant – is it a market you can make money in, or will the cost to serve outweigh the profits you will make?

Clearly, you need to think about the nature of the competition: once you get in there, can lots of others follow you?

You have to make that investment to find out whether it is a true opportunity or not, but you also have to do the work at home to see what it will take to scale to meet that opportunity – and that will vary from one business to the next. If you have a business where your incremental costs aren't huge and you have potential to meet the demand without adding to your fixed costs, then you have an opportunity. But if you have to make a big investment to your business in Ireland, then the level of risk to you if that doesn't come off is quite significant.

HOW DO COMPANIES GET THE INFORMATION THEY NEED TO DECIDE THE BEST COURSE OF ACTION?

The more facts you can bring to the table, from doing the background financial analysis and the visits on the ground, the better your decision will be. Nothing can replace the intelligence gained by going to a market and spending time in it.

My sense would be that many companies on the island export on an opportunistic basis, and they follow up on those leads.

One of the other sources of insight into this is where companies already have an online presence. Assuming they're actually tracking the presence of their customers online, then if there's significant demand from a particular country, then there's opportunity that could be explored further. But many don't have that kind of online presence. Very few manufacturers on the island trace their products through to the end consumer.

WHAT OTHER ISSUES ARE LIKELY TO CROP UP WHEN CHOOSING A NEW EXPORT MARKET?

There is another level, particularly as it relates to lifestyle and fashion, where you do really need to understand the idiosyncrasies of your end customers. For example, if you are selling into Japan, everything is smaller. Houses are smaller, so the size of your product needs to reflect that.

EXPERT ADVICE

For example, a bar of soap made in Europe looks like a briquette in a Japanese bathroom. Understanding that physicality is really important.

WHAT'S THE BEST WAY TO START PLANNING TO EXPORT?

It really goes back to having a clear strategy that states: "we plan to move into one export market every two years", or whatever it is, and then there is an appropriate budget allocated to it. It might be a single resource, but they have to budget to buy in resources as needed. It's important that this is written in a plan and then there is real tracking as to the progress being made, what are the issues and the risks, and that a real performance update becomes part of the company's monthly management meetings.

WHAT IS A COMMON MISTAKE THAT EARLY EXPORTERS MAKE?

If you were to ask many companies why anybody buys from them, they can't answer the question. "Because I make it" is not a good enough reason! The discipline to do the deep thinking about why you make something and why people pay for it, is a really valuable insight, and it's important to get directors in the company aligned with what that is.



"Nothing can replace the intelligence gained by going to a market and spending time in it."

*Mary Donovan,
Caragh Consulting*

HOW TO: be aware of business culture

Often underestimated, the role of business culture is actually very important to selling successfully in overseas markets. Exporting will bring your company into contact with a range of different business styles. Cultural considerations can often determine issues such as how your customer likes to be communicated with, or how long it will take to win a particular deal. It also dictates how formal your initial encounters are likely to be.

BUSINESS STYLES

Although your customer won't expect you to be familiar with all of the nuances of their particular culture, it is an important factor that you should include in your research of any market. Some countries (such as the USA, Great Britain, the Benelux countries, Germany and Switzerland) tend to be quite transactional in nature. In these cases, there is very little small talk before

meetings, and you can expect to get down to business quite quickly. In many other places such as southern Europe and in the Middle East or Asia, personal relationships are the cornerstone of doing business. This means your prospective customer needs to know and trust you before they will do business with your company. This process can take a long time and involves regular face-to-face contact, so your business plan should reflect this. It's unrealistic to expect quick sales in a market where local relationships are important. There are many resources on the web for finding out more about doing business in specific countries.

LANGUAGE

Some industry sectors are almost exclusively English-speaking in many places throughout the world. However, in reality, the more embedded you wish to become in a market, the more likely it is that you will need some form of language capability in your business. Most prospective customers won't expect you to be fluent, but they will appreciate your good cultural understanding if you contact them in advance to ask what language your meeting will be in. For more detailed business discussions, there are many

translation or interpreting services you can use if you feel it's necessary. Depending on the value of that market to your business, it may make sense to appoint a local salesperson who can speak with customers in their own language.

COMMUNICATIONS

It's important to tailor your approach to each market to reflect local customs. You can expect customers in the USA or Great Britain to respond to emails promptly, but in Turkey, for example, direct visits in person are essential to making progress. Similarly, cold calling is of limited value in places where people need to know you first. In meetings, it's also worth knowing about the communication style of your opposite number. Middle Eastern and Asian cultures place great importance on the concept of "face", which makes people reluctant to say no for fear it will offend. You will need to read between the lines to understand whether your prospect is genuinely interested in what you are selling.

HOW TO: be aware of business culture

ETIQUETTE

As a foreigner, it's a good start to show customers that you are aware that cultural differences exist and that their culture may be different to your own. If in doubt, follow the lead of your hosts in a meeting, or if possible, ask questions before the meeting so you can be prepared. The duration and start times of meetings can vary widely across the globe. As a good general rule, it's important to remain patient in places where a more relaxed approach to timekeeping prevails. Spanish-speaking cultures are typically hierarchical in nature. This means that you may have to work your way through several layers in your target organisation before reaching the final decision maker. Business etiquette in some countries can dictate a code of conduct when doing business with men and women. In some Muslim countries, the norms include not offering to shake a woman's hand but to wait until she does so.

CASE STUDY:

INTERACTIVE SERVICES

*Interactive Services (www.interactiveservices.com) provides bespoke mobile and e-learning solutions to large corporates with geographically dispersed workforces. Its customers include leading brands such as Visa, UBS, Citibank, Diageo and Colgate-Palmolive. The many global companies headquartered in France made it an obvious market to target. **Paul Kelly**, VP for Global Learning Solutions, explains how the company dealt with the French business culture.*

WHAT DIFFERENCES IN BUSINESS CULTURE DID YOU OBSERVE WHEN YOU STARTED SELLING IN FRANCE?

The thing that really shocked me, when I first started dealing in France, was how open they tended to be. In Britain, if something uncomfortable would come up in a meeting, they would go into a huddle or take it offline. In France, if two parties disagree on the client side, they'll have that discussion there and then until they resolve it. That can feel uncomfortable when you're on the sales side but I've always liked the fact that they speak their minds. I've always found French people to be very straightforward in giving feedback. They tell you what they want and that's always much more helpful.

All the European stereotypes – that the French are really difficult to do business with – I’ve never encountered anything like that. The decision-making process has been very quick, the relationships with stakeholders have been great.

I know that certain organisations would receive pressure in the same way that British, Irish, or American organisations do to buy from native companies, but I’ve personally never encountered it. I’ve never found working in France any harder than working in Great Britain or US. With our client base, we tend to build very long relationships for years and years. We get to know them so invariably you build some personal ties and you have some consistency in the relationship.

ARE THERE ANY HARD AND FAST RULES TO WORKING WITH A NEW BUSINESS CULTURE WHEN EXPORTING?

I think the experience is going to be different for different companies. Sometimes the selling part is not the difficult part. Before we get into the project delivery, there’s a very high quality of communication between the whole group on a medium like email ... but when the project has been agreed and you’re going to start the work, what happens then is, you invite a secondary group in, who are the subject matter experts – the custodians of the content internally. That could involve a health and safety programme. In some instances, because they’re technical experts, the quality of their English may not be so great. The key thing we’ve learned to do at that point is to deal with that by investing in the relationship upfront.

If you just rely on email, all sorts of misconceptions can start to creep in about what one party or another party means. The process of communicating by email only could sabotage the whole process. If you just want to confirm something, use email. But if you want to have a discussion and you think it’s going to be contentious, create a WebEx conference, or pick up the phone, or arrange to meet them. Overinvesting in communication at the start pays dividends later. The reason long-term relationships are important is, you get a feel for how certain companies approach certain problems. So you can compensate for something that might worry you at the beginning. You realise it might be part of the company’s cultural rules.

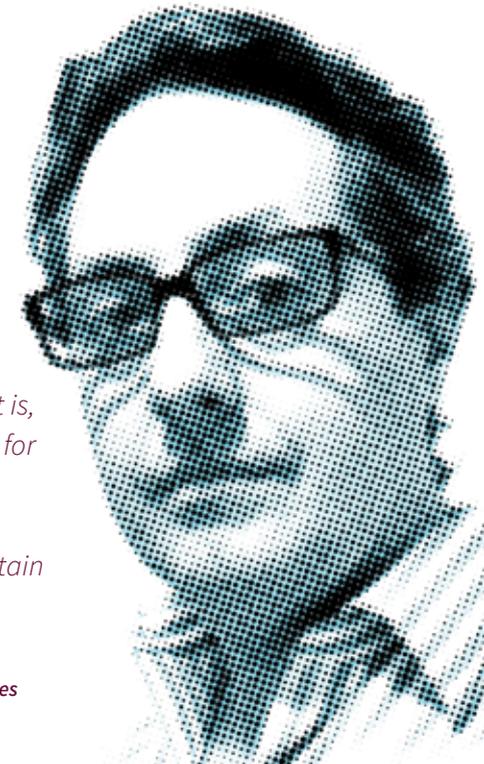
HOW HAVE YOU DEALT WITH LANGUAGE ISSUES IN THE MARKET?

We recognise in France there are very large international organisations and very large French domestic organisations. It’s very difficult for us in the latter category: we had been trying to deal with one and it was very difficult. They wanted a local French partner, they wanted the ability for our people to go to regional areas and talk to experts in French. There’s no international aspect to that company and therefore we tend not to do well in those companies. The customer was worried – and it’s a genuine concern – that if you ask the engineer to talk about something that’s safety-critical for an e-learning module, you want that conversation in their native language so there’s no issue around the clarification of what that script meant. We thought about French-language marketing material in the past but eventually we’re going to end up dealing

with customers through English. We’ve always been very transparent about our language. We’re primarily an English-language company. Occasionally we’ve worked with a third-party partner where another language has been really important, but it’s better to start off completely honest about who you are. I wouldn’t recommend trying to dress yourself up as something you’re not.

“The reason long-term relationships are important is, you get a feel for how certain companies approach certain problems”

Paul Kelly,
Interactive Services



HOW TO: develop a value proposition

Part of what makes your company's offer unique is how it solves the problems in your prospect's business. Your value proposition is the compelling reason that makes current customers buy from your company. This section discusses what goes into developing this, and how it helps your export strategy.

UNDERSTANDING YOUR CUSTOMER

Your early research into a new market should focus heavily on identifying your most valuable potential customers, with the aim of analysing their businesses. This way, you can gain a better insight into those customers because you will understand how they interpret value. Clearly understand the needs, requirements and pain points of potential customers. Decision makers want to hear how your

company can solve a problem, save money, or deliver greater efficiencies rather than hearing about the technical merits of your product or service. The more you can show how your product or service enhances their business, the more effective and convincing your sales pitch will be.

CONTINUOUS PROCESS

As a statement, your value proposition is at the very heart of your sales campaigns and should be at the forefront of your company's blueprint for growth. It needs to be well-defined, concise and it should be continuously refined through ongoing research and regular contact with customers. Where appropriate, it should also be translated into the language of your target market.

COMMUNICATING YOUR VALUE PROPOSITION

Once you have defined what you offer your customers, it should inform all of your marketing efforts. You may have to alter your marketing materials to reflect this; for example, after initial contact with

customers or partners at a trade fair, they are likely to look at your company's website. Does the messaging accurately reflect what your company provides and how it's different to competitors' offerings?

TIPS FOR EXPORT SUCCESS

- ▶ Know your market
- ▶ Understand what makes customers buy from you – this is important for helping to articulate your value proposition, especially in a new market
- ▶ Closely research your target prospects in your intended export market: your findings will also inform your value proposition to those customers
- ▶ Companies, particularly SMEs, should focus on their ability to be flexible and provide niche products and services
- ▶ Translate your value proposition into an easily presentable set of activities or services you can deliver that can be traced through to the customer's bottom line.

CASE STUDY:**KPMG**

Kieran O'Brien is a Senior Director in KPMG Ireland's Management Consulting Practice (www.kpmg.ie) and also leads the Financial Management (Finance Operations Improvement) service line. A trained Chartered Accountant, he has extensive experience in providing advisory services globally, such as in the area of aircraft leasing, and he also has a background in delivering performance improvement for organisations. Here, he talks about how companies can establish their value proposition with customers in new markets.

FIRSTLY, WHAT ARE THE ADVANTAGES FROM A BUSINESS PERSPECTIVE OF EXPORTING?

The benefit of looking globally is that you lessen your concentration or risk in one market. Then there's the growth aspect. With any market, it's like trying to do it in Ireland, only harder. Your aim should be for structured and sustainable growth and that is generated by starting small and building up, in the same way as you would in Ireland. You need to take your time. You are working in a market where you have a geographical disadvantage and where you need to be there or have someone there for you and consequently, it's more challenging because of the unknowns, but it also gives opportunity.

WHEN GOING INTO A NEW MARKET, HOW SHOULD A SMALL OR MEDIUM-SIZED COMPANY LOOK TO POSITION ITSELF?

It's key to understand your target and your potential customer, to understand what's important for their business and to understand what, ultimately, they're looking to get. Then take the value proposition that you have and tailor it; it's ultimately about applying that to deliver those benefits. It is about demonstrating flexibility: the ability to move quickly and be adaptable. It's also around being quite niche. The advantage of looking at things globally is that you don't need to go with everything; you can focus on what you're strongest at because the [overall] market is bigger. In the services industry, that is a big deal. Ultimately, having a niche or being a genuine leader at something is what will be successful. If the product you're selling isn't successful here, you won't be successful elsewhere. If your product or service is solid, then your chances of success in export are a lot higher.

BASED ON YOUR EXPERIENCE, WHAT ADVICE WOULD YOU GIVE TO POTENTIAL EXPORTERS ABOUT DEVELOPING A VALUE PROPOSITION AND COMMUNICATING IT TO TARGET CUSTOMERS?

From a services perspective, it's about the time spent in understanding what does that service proposition look like, what is the unique selling point, and what is the genuine value or positive impact or change you can make for a customer. For example, that could

CASE STUDY CONT'D:

KPMG

be addressing a new regulatory requirement they need to work with. A company ultimately needs to translate its value proposition into an easily presentable set of activities or services that can be delivered on, and that can be traced through to the bottom line.

WHAT ARE THE MAIN THINGS TO GET RIGHT IN THIS PROCESS?

Listening to your customer is foremost. Getting initial engagement is good, but you need to listen. It's about taking that on board and honing it down. It's about translating the value proposition into the benefit to that customer, and the things that are important for them – the 'what's in it for me' factor.

You have to be willing to get knocked back because sometimes – particularly for services where people normally go to a local provider to get them – it's not a simple sell. In that case, it's a longer sales cycle that might take a couple of goes at it. You need to be able to roll with that, keep going, and keep listening. You need to be resilient and flexible. You need to be more intelligent with using the internet and online tools and demonstrate how you

can deliver, utilising those tools when needed. When you're exporting, you need to be able to demonstrate flexibility and innovate in how you interact with your customer.

At the end of the day, the world is a lot smaller than it was. There's technology around smart meetings and online project management, and it's about being smart about how you deal with the mundane issues so you can focus on the value proposition.

Show that you do that well, so the customer doesn't have worry about it. If you get rid of all the barriers, then it becomes all about your product or service.

"It's key to understand your target and your potential customer, to understand what's important for their business and to understand what, ultimately, they're looking to get"

Kieran O'Brien,
KPMG Ireland



HOW TO: assess the competition

When selling internationally, you are likely to find most markets have a combination of existing domestic and international competitors already in place. For this reason, it's essential for companies to stand out as being different to whoever their target customer is buying from now.

SWOT UP

Your initial research into export markets should also include an evaluation of your likely competitors, so that you can understand how you can differentiate your offer from theirs and communicate it effectively. You need to know who else is competing for your market, what products and services they provide, what are the advantages and disadvantages of their offering and their market share?

What are their strengths and weaknesses, and what opportunities or threats do their positions represent?

WHERE TO LOOK

Trade fairs and company websites are excellent sources of competitive intelligence. You can obtain material that details the product or service features which your competitors emphasise the most, and you may also be able to find out how they price their product.

TIPS FOR EXPORT SUCCESS

- ▶ Carry out desk research first: know the buyers from that market even before you travel. Many companies miss out on this highly important stage of the process, and they don't succeed because they don't know the market and aren't doing sufficient research
- ▶ At these events, speak to prospects from your target market who are also an excellent source of competitive intelligence

- ▶ Keep abreast of your competitors' activities. Regularly visit their website especially their news and events pages; at trade shows, look at their product focus; regularly download or source a published product catalogue
- ▶ Use tender notifications and published contract awards to estimate market potential and gauge competitor activity
- ▶ Know the full costs and the margin before agreeing to any activity or partnerships
- ▶ As a first-time exporter, you will probably work with a local distributor. It's important to find out about their relationships with existing competitors in the market
- ▶ Task your distributors to help you understand the full cost and margin to assess competitor activity in their market
- ▶ Record everything for future reference.

CASE STUDY:

ARMSTRONG MEDICAL

*Founded in 1984 in Coleraine, Northern Ireland, Armstrong Medical (www.armstrongmedical.net) makes and sells respiratory disposable products for critical care applications. The company first began selling to Britain and then the Republic of Ireland four years later, followed by mainland Europe in the mid 1990s. It now has distributors and customers worldwide, from Saudi Arabia and Sweden to China and Venezuela. Entirely self-financed, the company uses profits from top-performing markets to support its expansion into new export destinations. Targeting double its current turnover within three years, **Andi Regan**, Business Development Manager, shares the secret of its success.*

IN WHAT WAYS DO YOU LOOK TO DIFFERENTIATE YOUR COMPANY FROM THE COMPETITION?

Customisation has been a key differentiator for us – by listening to hospital customers, we discovered early that they wanted the added value of everything in one package, rather than order and stock multiple SKUs. Our rapid prototyping centre enables us to have a faster speed of response compared to most of our competitors. We can have a sample of a custom-

ised product, designed to meet the customer's exact requirements, made and delivered to them within one week. Almost all of our competitors offer less customisation than we do and although it's starting to become the industry norm now, our speed of response gives us an advantage.

HOW DO YOU FIND OUT ABOUT THE COMPETITION IN MARKETS YOU ARE TARGETING?

The first year that I attended the Middle East trade show, Arab Health Dubai, I have to admit, I knew very little about the region, so I spoke to everyone that came on the stand to find out what I could about the healthcare systems, our competition and the distributors in these markets; people are very willing to share information about their markets! Whatever information I learned about a particular market I then verified with the next guy I spoke to from that market. It has helped us develop our brand in the Middle East region where we now have some of our top-performing distributors.

We regularly review tender notices and contract awards for particular markets. Whilst time-consuming, this is a very useful exercise as you can often gauge market potential (size) and even find out which competitors are active. Product descriptions in tenders/contracts quite often pertain to one particular brand.

We log everything into a database, and we keep updated market research for every country where we are active and where our competitors are active. This is very useful because there's such a flux in the

medical industry. Some of the top key corporations have merged or acquired parts of others, and that can create opportunities – if you know where to look for them. For example, we have recently appointed several new distributors in Europe – companies that previously acted as distributors for competing product brands. Timing is important; don't write a distributor off because they are acting for your competitor today – that may change tomorrow.

We travel regularly to the markets in which we have distributors, and we also bring distributors to Northern Ireland for annual training seminars. It is important not only to understand the market but to build relationships with the people who represent your brand in that market. People buy from people, and the only way to build a relationship of openness and trust is to visit regularly and embrace their culture. We task our distributors with finding out which of our competitors products are in use, on tenders and on trial. Quite often they will also find out the price-point which helps us build up a picture of pricing level variations internationally.

“We travel regularly to the markets in which we have distributors”

Andi Regan,
Armstrong
Medical



CASE STUDY:

ACCOUNTSIQ

*Dublin-based software company accountsIQ (www.accountsiq.com) uses the internet to deliver its application to help businesses manage their accounts. Launched commercially in 2007, accountsIQ now has users in 26 countries. The software is developed at company HQ in Ireland, supported by sales offices in the UK, the US and Australia. Founder and CEO **Tony Connolly** offers tips about how his company stood out from rivals in the market.*

WITH SO MANY DIFFERENT ONLINE APPLICATIONS AVAILABLE, HOW DO YOU LOOK TO STAND OUT FROM POTENTIAL COMPETITORS?

There's a huge amount you can find out on the web, because they're all trying to sell what they have online. And you can look at the features and what they're offering versus your solution. We did a lot of keeping an eye on what was happening in different markets but also had a clear niche we wanted to target. It's very important from day one, particularly for Irish companies, to clearly differentiate. You can't be all things to everybody.

In our case, we're competing with large companies like Sage and Intuit. You can't hope to be directly competing with them on a one-for-one basis. But you can compete with them if you have a clearly

differentiated product that suits the market you're going after. We specifically target accounting firms who offer outsourced accounting services to their clients and franchisors as a platform for their franchisees. So a lot of the focus on developing the product involved having the domain knowledge about how to do outsourcing and manage franchising, and we've applied that to designing the solution to suit those environments.

When we speak about those areas, we highlight functionality that most other high-value products just don't have. We're competing very much on the basis of having unique functionality that suits our customers' particular needs. I think any Irish company needs to do that: to be clear on what differentiates their offering.

WHAT SKILLS HAVE YOU BROUGHT TO EXPORTING?

I am a Chartered Accountant, and that background definitely has an influence. Certainly, I wouldn't have been able to do what we're doing without that background and expertise. When you're exporting a new offering to a market you don't know, it's not like everything goes according to plan: you need to adapt as you go along. Being able to analyse a situation and evaluate how best to approach it helps you adapt.

You're dealing with issues all the time as you go out into the international market – and there wasn't a well trodden path to follow – issues arise and you have to deal with them as you go along. Adaptability is therefore very important and having a good business background obviously facilitates that, where you

can plan yet be adaptable and quickly evaluate what the implications are of any changes. Obviously when you are entering a new market, there are upfront localisation, marketing and sales costs and you're hoping to recoup them through future profits, so you need to understand the relevant business model that will eventually get you a return that justifies those upfront cost. That even goes down to things like how you charge customers in that market and how that compares with what the competition charges: we put a lot of effort into modelling that to understand revenue opportunity versus investment and costs involved.

"We're competing very much on the basis of having unique functionality that suits our customers' particular needs"

Tony Connolly,
accountsIQ



HOW TO: identify routes to market

The further you go from your home market, the more essential it becomes to have a route to market that allows you to supply your product or service in a timely, efficient way to your new customers. There are usually several different options available to you.

REPEATING THE SAME MODEL

Keep in mind that the model you use in your home market might not suit the profile of customers you plan to target. Equally, the geographical scale of larger markets may make it unsuitable to have just one agent or salesperson covering an entire country. As a rule, in a foreign market, you will be dependent on a relationship with some type of local representative who knows the informal business practices and has long-held connections with established

business networks. This relationship is critical for your business, so it's very important that this relationship is maintained in an equitable way that benefits both parties.

It doesn't always follow that a market that is geographically close can automatically be served directly from your headquarters. Business cultures that are based heavily on long-standing personal relationships are very common in more distant markets. While accessible, it may not be possible or practical to serve them directly.

LEAD GENERATION

At the beginning, you may have to use multiple routes to market before settling on one that works. Having a local customer reference is often critical in winning further business in a new market, and this is likely to involve direct contact with the buyer, or at the very least, significant input from members of your team. Assuming you know the market you want to target and have a clear idea of its potential, you need to decide on the channel by which your product will reach your customers.

How you enter a market is a strategic decision that will define the very nature of your business in overseas markets. The decision to either sell directly or partner with someone to sell on your behalf will be guided by resources, opportunity and the nature of your offering.

LOCAL KNOWLEDGE

Choosing the right route to market is critically important; local distributors can provide deep understanding of informal business practices and networks of relationships. You are sacrificing margin by working with intermediaries, but the upside is that you might gain access to a customer base that would be much harder to crack as a new entrant to the market. Despite the relative proximity of the Italian market, for example, its business culture is such that regular visits are an absolute necessity, local representation is essential and it's becoming increasingly clear that some form of more permanent presence is strongly advised if you are serious about selling there.

YOUR CHOICE WILL TYPICALLY INVOLVE ONE OF SEVERAL POSSIBLE CHANNELS:

- ▶ One of the main routes to market, especially for high tech and service companies, is to set up a sales or office presence in the market staffed by employees of your business (see page 36 for more on this)
- ▶ You can hire a sales consultant with experience and contacts in your preferred sector, working on behalf of your company
- ▶ An independent agent who represents your company (and possibly others) to develop leads in your chosen market
- ▶ A locally-based distributor that holds stock of your products and possibly provides first-line technical support if necessary.

TIPS FOR EXPORT SUCCESS

- ▶ Check whether your route to market can be repeated overseas, or do you have to use different channels
- ▶ Understand the drivers and dynamics of your market – can your product be sold through a third party, or is it too complex, requiring direct input from your team?
- ▶ Be prepared to use multiple ways into a market at the start, before settling on a defined route
- ▶ Identify local partners who will champion your product
- ▶ You need to manage agents and distributors proactively to ensure ongoing commitment from them.

CASE STUDY:

NUALIGHT

*Headquartered in Cork, Nualight (www.nualight.com) is a specialist LED technology company. Focusing on retail, commercial and industrial niches, the company has R&D centres in Europe and manufacturing facilities in Poland and Mexico. Nualight sells turnkey solutions directly to strategic accounts in Europe and distributes its products via a partner network in Europe, North America and Australasia. Around 40 per cent of its business comes through partners. VP of Marketing, **Siobhan O'Dwyer**, reveals how to find the right route into new export markets.*

WHAT LESSONS HAVE YOU LEARNED ABOUT WORKING OUT THE BEST ROUTE TO MARKET FOR YOUR PRODUCTS?

You need to have a joined-up strategy for when you hit a market first: some products don't lend themselves to being sold through a channel, either because of margin or else because they're too complex for a channel sell. For a smaller company, if you don't have a large sales force it can be difficult to grow your business internationally, so a partner is a great way to do that. You have to look at the potential volumes for that market. If it's high volume and would be difficult to access without a partner, then it would be very attractive.

CASE STUDY CONT'D: NUALIGHT

HOW DOES NUALIGHT DECIDE WHICH ROUTE WORKS BEST FOR A PARTICULAR MARKET?

In some offices, you need to have a lot of cultural knowledge and it can be difficult to have that without a partner. In Turkey, we absolutely needed to have a partner, even though the margins are tight, because the market is all about personal relationships. The big learning was we tried to crack the American market for several years before gaining real traction. We tried partners and resellers and we tried putting our own people on the ground. Having a good channel partner is a good way to go and one way to ensure that it works is co-development and integration.

For us in North America, it was a very attractive way to grow with limited resources. That gave us access to a very big chunk of the market that we could have never reached ourselves. You're handing away margin, which is the downside, but otherwise I don't think we could have realistically done it. In other markets we've used a mix of direct sales and channel.

ONCE YOU PICK A CERTAIN MODEL, ARE YOU OBLIGED TO KEEP TO IT, NO MATTER WHAT?

If you recognise that your model isn't working, you also have to be willing and ready to change. For a smallish company, trying to support a lot of different routes to market can be difficult because how you support each of them could be different. It's neater if you can have a fairly tight approach that you can replicate in several markets. It doesn't always work but that's the ideal.

Our approach has been to try to be relatively open at the start and to put a lot of investment in the relationship. You have to work extremely closely and be prepared to work with a partner – and there has to be an understanding that the relationship has to keep performing or else you decide to end it. It's not a formula as such. There's a certain amount of trying things out, learning from them, and figuring out what suits your business.

WHAT ADVICE WOULD YOU GIVE COMPANIES IN TERMS OF MAKING AN EXPORT PARTNERSHIP WORK?

References are incredibly important. It is really worth 'buying' references in a market – getting a very good reference case study – and if you have to give away a bit of margin to get that deal across the line, that is probably the single most important thing you can do.

A good partner will be able to find you reference case studies and equally, good case studies will help you find a very good partner. A partner will never sell product the way you would sell it yourself, so you have to equip them with every thing they need to go out and sell – and maybe that includes lead generation which goes back to them.

You cannot sit back and expect someone else to sell your product for you. You have to invest almost as much as you would in selling the product yourself. You have to invest in education of the partner's sales force, the relationship and brand building, and put in a tough but mutually beneficial commercial relationship in place.

“If you recognise that your model isn't working, you also have to be willing and ready to change”

*Siobhan O'Dwyer,
Nualight*



HOW TO: find a partner or distributor in export markets

When your company has decided its most suitable route to market is via a local partner or distributor, the next step is to identify which one. Keep in mind, this organisation will effectively be representing your brand in the market. Choosing the right partner is possibly the single most important decision you will make when exporting.

BENEFITS

Your route into a new market can often be smoother when you have a local partner and this usually leads to higher levels of sales – even if you may need to sacrifice margin to bring them on board. Any commercial terms with a partner should be agreed in advance and stated clearly in any contract.

The benefits of a good local partner or distributor are many:

- ▶ Where your products or services are complementary, they can provide access to an existing customer base in a brand-new market
- ▶ They will have well-established networks of contacts
- ▶ They may be able to help you navigate complex bureaucratic procedures, or provide guidance on the local business culture.

FINDING THE RIGHT PARTNER

Research consistently shows that the correct choice of partner in your overseas market is one of the most critical success factors for SMEs. Setting and agreeing expectations is the key to establishing a strong relationship with a partner from the outset. The types of details you may want to consider include sales objectives and shared marketing plans, exclusivity, pricing, margins, discounts and payment terms.

DUE DILIGENCE

It's important to conduct thorough checks into your chosen partner. In many markets, it's possible to conduct formal due diligence to establish the company's credit history. Where this option is not available, use business networks or existing contacts in the market. In some cases, if you have already made contact with a customer, you could ask them if they have a preferred partner or supplier with whom they do business, but this may not always yield results.

MAKING THE RELATIONSHIP WORK

Exporters say that if possible, you should look to work with your preferred partner or distributor on a fixed-period trial basis to test the working arrangements in practice. Like any good relationship, it needs regular work. To get the most from this arrangement, your company should support the partner by visiting the market regularly and engaging in joint marketing activities. It's also wise to include a 'get out' clause if targets are not being met or the arrangement is not working.

CASE STUDY:

COMBILIFT

Combilift (www.combilift.com) knows what it takes to export successfully. The Monaghan-headquartered company has sold more than 24,000 materials handling and specialist forklift units in more than 75 countries.

*Combilift co-founder and Managing Director **Martin McVicar**, shares some tips about making the relationship with a distributor or partner successful in export markets.*

BASED ON YOUR EXPERIENCE, WHAT'S THE BEST WAY TO START WORKING WITH PARTNERS IN A NEW MARKET?

Combilift's general approach to a new market is to focus on finding end-users of our product before we put any serious effort into finding a distributor or partner. We find this method effective as the distributor can be hesitant to do anything until they know the market for your product. A customer is more likely to recommend a distributor that they have had first-hand experience of working with in another capacity. Seeing a Combilift product in operation at a customer's facility often gets the interest of a distributor and they will contact us. The customer can then give us good advice as to who we could work with.

We've found that a lot of the customers we already deal with are bringing us into new markets, which is a very cost-effective way of entering a new market. Our

experience is, that if you appoint a distributor without already having one or two customers in the market, there is added pressure on the distributor to find new customers. This results in the distributor losing interest very quickly. You can put a lot of energy into motivating a distributor and if they don't already see where the market is, you don't see the results.

HOW DO YOU MAKE YOUR FINAL DECISION ABOUT WHICH DISTRIBUTOR TO WORK WITH?

We purposely don't look for the distributor that has the biggest name: success will depend on the distributor's salespeople on the ground and whether they understand and believe in your product – rather than the name of the company. We like to work with a distributor that already sells either direct or indirect competitors' products as these distributors will have a better understanding of our market.

Many exporting companies are resistant to going down the route of using distributors with links to competitive products. I believe that if you are confident your product is innovative, and if the distributor can appreciate the value of what you are offering, they can get you off the ground the fastest. You don't have to spend time educating them, they already know the target market and they already know customers using similar products so they know the type of customers to target.

“We like to work with a distributor that already sells either direct or indirect competitors’ products as these distributors will have a better understanding of our market.”

**Martin McVicar,
Combilift**



WHAT’S THE KEY TO SUPPORTING THE DISTRIBUTOR, AND MAKING THE RELATIONSHIP WORK?

Our most effective way of training distributors is what I refer to as “spending windshield time” with them. That means going on the road with their salespeople, knocking on doors and visiting customers in their market. We are continuously learning from this. You need to spend as much time as possible with that distributor. Obviously that depends on your budget and how near they are to you. We find that once a year is not enough. Twice a year is better, but if you can be with them four times a year, you will have more success.

As our products are concept products, if distributors are not known, sales don’t come anyway – even if a market is booming. For any company entering a new market, a distributor, unless it’s an exceptional case, is going to sell other product lines. The distributor’s business will have been surviving on those products before you began dealing with them so what you want to do is get the distributor to spend more time on your product. When you’re not with the distributor, other suppliers will be. If you’re on the road with the salesperson for a week, you will see a clear rise in activity in the following month, however this dwindles until you have a repeat visit.

Also, having a salesperson dedicated to the market gets the distributor more focused and gets the brand more established. As our business has grown, we are now employing sales support people in local markets, and they generally have the local language. As of today, we have 35 sales people based abroad in the key export markets, and their role is to support the distributors in the larger markets.

HOW TO: set pricing in export markets

Setting your prices correctly when selling overseas is critical to building a sustainable export business. Being price-competitive is important, but SMEs are strongly advised not to compete on this factor alone. Experienced exporters say that it's best to avoid lowering your prices in the hope of winning market share; it's better to enhance your product or service in order to move the discussion from one of cost to one about value.

CALCULATING THE COST

As an exporting company, you automatically incur more costs when doing business internationally. These include travel, research, developing marketing material, certification if required. You may also need to adapt your product or service to suit market conditions. All of these issues should be factored in to your decision making process when setting prices.

If you plan to do business in multiple markets, it is good practice to calculate separate pricing for individual countries to allow for different costs and mark-ups.

CULTURE AND PRICING

Providers from this island usually don't compete on price, and this can work in their favour when exporting. In many markets, uniqueness, innovation and service levels are more important to buyers. This can be a point of differentiation for exporters in markets that can be price-sensitive, and it can lead to higher prices. Good intelligence gained from time spent on the ground will allow you to establish what features your target customers value most.

Pricing doesn't have to be your only point of differentiation. You can offer other incentives to your customer, such as better credit terms, faster delivery, tailored warranty, enhanced levels of after-sales service and so on. For more advice on developing a pricing strategy, visit www.nibusinessinfo.co.uk/content/developing-pricing-strategy.

CHECKING THE COMPETITION

In setting your prices, you will need to consider your competitors' prices, the level of existing competition in the market, your customers' perception of the price/quality relationship, production and distribution costs and overheads and the extent to which your customers can afford the price.

TIPS FOR EXPORT SUCCESS

- ▶ Understand your costs, in order to be able to set your pricing appropriately
- ▶ Set different prices for different markets, because mark-ups and routes to market will vary
- ▶ When negotiating, consider other incentives such as product samples or marketing material instead of lowering prices
- ▶ Many customers are prepared to pay extra for a quality product; if that is part of your USP, don't compromise on it by reducing your prices
- ▶ Find out the tax implications of selling your product in a particular market, as this could affect your final price.

CASE STUDY:**BLACKTHORN FOODS**

Blackthorn Foods (www.blackthornfoods.co.uk) is a family business specialising in award-winning gourmet handmade fudge produced in the artisan way, in a range of natural flavours. Established in 2004 by three sisters, the company now employs a further six people. Having started exporting in 2013, Blackthorn already sells to the Netherlands, Denmark, Sweden, Germany, the United Arab Emirates and Spain. Exports are now 25 per cent of all sales for the company.

***Dorothy Bittles**, co-founder and Partner, shares her experience of how to set pricing in new markets.*

WHAT'S THE KEY TO SUCCESSFULLY PRICING IN NEW MARKETS?

I think every country appreciates good food, and we provide a premium product and it's priced at that. People are always prepared to pay for quality: we always keep the quality. Our product was always handmade, and now we have moved to being flow wrapped. We invested a lot in that system. Apart from improving our production capacity, another reason was to improve the product's shelf life properties.

HOW YOU DO DECIDE ON A PRICING MODEL FOR YOUR EXPORT BUSINESS?

People always try to force your prices down, on account of transport costs. Our export business is all about volume orders, because the fudge is being shipped out per pallet. When we initially started exporting, we tried to build our transport costs into our price, but it varies so much by country to country, so we now just quote prices ex works. Some large companies might have good carriage infrastructures in their countries and it's cheaper for them to collect the product themselves.

It also means that if you're at a trade show and someone from Spain, for example, asks about your pricing, it's much easier to quote an ex works price. Some countries do have a sugar goods tax so there are other things to consider, too. They might pay an extra heavy Vat on it.

IF YOUR PRODUCTION COSTS ARE FIXED, HOW CAN YOU ENSURE YOUR EXPORTS ARE SUFFICIENTLY PROFITABLE?

As opposed to offering a discount on the price, if shopkeepers in a particular country say they don't really know fudge very well, we would offer more point of sale material and support of the brand, as opposed to lowering our price. In a case of 32 bars, we would offer three or four wrapped differently, so that the shopkeepers can sample it, and we include information about the product's unique selling points. We have a shelf-ready case and we would get a sticker made in the appropriate language, telling the customer about the product.

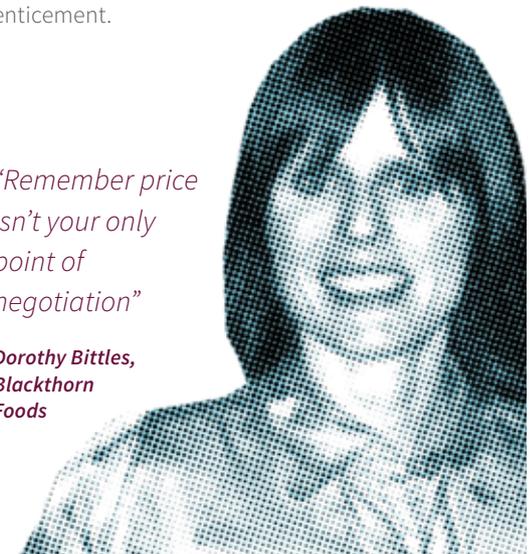
WHAT ADVICE DO YOU HAVE ABOUT PRICING A PRODUCT CORRECTLY IN A NEW MARKET?

Ours is such an artisan product that we can't sell it cheaply even if we wanted to: we would just be busy fools. We have a cost and we're not going to make it for less than that, so we're quite rigid on our pricing. We don't discount.

As an exporting company, you do need to support the brand, and there is a cost involved – but it doesn't have to be on the product. There are advertising costs, but it's so the product can continue to sell at the price you've set. What we have done in some countries, where they weren't familiar with fudge, if a retailer doesn't want to commit to a full pallet, for the initial order, we contributed to the transport costs and reduced the amount on a full pallet, and that was a good enticement.

“Remember price isn't your only point of negotiation”

**Dorothy Bittles,
Blackthorn
Foods**



HOW TO: set up a company overseas

Once your company has built up experience of exporting indirectly, the next step may be to set up a more permanent presence in a particular country or region. Depending on the prevailing business culture, or just your customers' preference, you might find that it improves your chances of increasing sales.

Some customers will welcome a local office as a sign that you're committed to their market for the long term. Many also prefer the reassurance of a local presence for handling post-sales support. This section looks at the issues to consider when establishing a presence in the market.

LEGAL ENTITIES

In many countries, the possibilities range from a single-person sales office to full manufacturing operations. You don't always have to set up a fully separate legal entity to start with; it might

be sufficient to set up a representative office, and graduate to another company form later.

REPRESENTATIVE OFFICES

Keep in mind that your choice will dictate what functions the office is allowed to carry out. A representative office usually has limited authority to carry out some business development, but contracts can only be signed with the company's head office. On the other hand, its tax liability might be much less onerous than that of a legally registered branch.

BRANCHES AND SUBSIDIARIES

More permanent options such as branches or limited subsidiary companies usually have a lot more autonomy when it comes to doing business and employing staff. However, they will most likely be liable to pay tax on their activity in that country.

JOINT VENTURES/ACQUISITIONS

Joint ventures are another possible option; the advantage in this case is that the risk is shared with a local company. What's more, if

the partner company has been established for some time, it also potentially brings an existing customer base to the table. Acquisitions are another option if you prefer not to dilute the shareholding in your business.

QUESTIONS TO ASK

- ▶ What company forms are available and which is the most suitable for your business?
- ▶ What restrictions, if any, does your intended market put on foreign ownership?
- ▶ Will your business require permits to operate?
- ▶ Who should head up the office: someone from HQ who is familiar with your company ethos, or a local with experience in your sector?
- ▶ How will you manage the operation – especially if there is a time difference involved?
- ▶ What support services will you need: can you use your own professional services firm to register the business and file accounts, or will you need to retain local legal and tax advisors?
- ▶ Where's the best location to set up the office?

CASE STUDY:**H&K INTERNATIONAL**

*First established in 1975, Irish-owned H&K International (www.hki.com) supplies kitchen equipment to some of the world's biggest fast food and casual dining chains including McDonalds, Burger King and Subway. It supplies 20,000 restaurants in 70 countries annually, with an annual turnover in excess of \$500m with most of its business coming from the US. It has manufacturing facilities in Mexico, USA and the UK, and recently acquired a facility in Indonesia. It has service – warehouse operations in a further 10 countries with the headquarters based in Dublin. CEO **David Bobbett** shares the secrets of what it takes to set up successfully in foreign markets.*

WHAT ARE YOUR CRITERIA FOR DECIDING TO SET UP IN A PARTICULAR MARKET?

I think everything has to be dictated by the customer. You have to decide where the customers are and what their needs are. We make about 7,000 different items and therefore we work very closely in offering total solutions to our customers, to support their brand. In our case, it's a lot of project management, it's a lot of drawings and knowing what's in each individual restaurant. Why you go into a market has to be dictated by what the customer's needs are. Having Mexico so close to the US was without doubt the most logical step because that is our biggest market. Indonesia was also logical because it's easier to do business there than in China where there are more challenges. Because of legislation, China is a difficult market to operate in.

WHAT'S KEY TO MAKING OVERSEAS OPERATIONS WORK, IN YOUR EXPERIENCE?

If you are going to go abroad, you need to have the management structure. You can't devote the resources away from what you're doing well. You have to have a very solid foundation and you need a very strong level of operational control: you need to have operations excellence which can be easily transferred to other locations. That's a huge factor in our mind as to why you would go into a market. But it really is customer driven.

The big thing about anything like this – opening a new plant is like an acquisition. Mexico is a very bureaucratic country and there are always risks and rewards which you have to balance and you have to realise what those are. We had a partner in Indonesia who understood the local requirements, so we didn't rush in. We moved in with them and over time, took a greater percentage of the business. You have to do an evaluation and understand that no market is perfect. There is a need for a long-term vision, it needs investment.

HOW DO YOU GO ABOUT SETTING UP IN A NEW MARKET?

We're very clear that our Irish-based tax advisors manage our business worldwide. We actually get our audits done worldwide, other than in Sydney and Mexico, by the advisors in Dublin. And they send their audit teams from Ireland. Obviously, tax is handled differently per country. We have a tax partner at who deals with that. Our job is to serve the customer in the most efficient way and our audit and tax support we get is excellent. I come from an accounting background myself and I think it's an excellent broad education.

SPEAKING OF THAT BACKGROUND, HOW DO YOU APPLY WHAT YOU LEARNED TO DOING BUSINESS IN INTERNATIONAL MARKETS?

I think information drives decision making. The ability to plan, organise and control, to implement boundary controls – if you control what goes in, then you control what goes out. What I learned was invaluable, such as the discipline of meeting deadlines. In our case, four of our seven-strong management team worldwide are chartered accountants and two are management accountants. I think in any team you have someone in any team who is more entrepreneurial but it's important to manage a business well and have a cross-section of views.

The other thing I learned from my audit days was that culture is important. You build the right culture in your business, and if you do that, you'll get more opportunities with your customer. We won the worldwide supplier of the year award with McDonalds – we set the industry standard.

I think culture is king. In our business, there's no politics. You focus on the customer. It's about pride in performance and that can take time to achieve in new markets. That's the most important thing: to bring that culture from your business into the new business you move into. Our approach when we open an office in a new market is that it will be led by people who are from our business for quite some time. They then pass on the reins when that operation has been going for a while. When we recruit, or do an acquisition, we do a very clear evaluation of all employees – what we call a person assessment. They have to fit the culture of our company.

“You have to do an evaluation and understand that no market is perfect. There is a need for a long-term vision, it needs investment”

David Bobbett
H&K International



CASE STUDY:

OPENJAW TECHNOLOGIES

OpenJaw Technologies (www.openjawtech.com) delivers online retailing solutions to the travel industry, including airlines, loyalty programs, online travel agents and hotel groups. In 2005 it began selling in Spain through a subsidiary in Madrid, which now employs 40 people. The Spanish and Latin American markets now represent 20 per cent of OpenJaw's total turnover. **Ricardo Navarro Ales**, Regional Director of OpenJaw Iberica and Latin America, talks us through the steps to setting up in a new market.

WHY DID OPENJAW CHOOSE SPAIN AS A LOCATION TO SET UP AN OFFICE?

Spain is a well-recognised market in the travel space, being one of the top destinations in the world and of course it has a powerful travel industry. In 2005, OpenJaw was growing internationally with projects in several different countries, and they saw in Spain an opportunity for growth and expansion, investing in a market that had relevant players in terms of size. The fact that Spain was a relevant and attractive market to invest, and also that Spain is a natural bridge with Latin America – a huge market with strong growth – were the main reasons to establish a subsidiary in Madrid and delegate the management of those markets, including sales, operations and support, to a regional director.

HOW DID YOU GO ABOUT SETTING UP THE OFFICE IN PRACTICE?

We started small, with a minimum team, with a little office in a shared business centre, with a clear budget to invest and giving us a couple of years in mind to prove the return on investment. We closed the first deal six months after we started, which was a great success. Since then, the subsidiary has been profitable and did not require further investment from the matrix company. The initial projects were developed in Dublin, but then we realised that a local team was necessary to answer some of the market needs, like support in the local language, more frequent contact with customers – not only at C-level – and also the cost of the implementations. This is how we planned to increase the headcount in Madrid that forced us to move offices and rent our own space.

DID IT TAKE LONGER TO GET BECOME ESTABLISHED IN THE MARKET THAN YOU EXPECTED, AND WAS THE PROCESS EASY OR COMPLICATED?

The establishment took longer than expected, primarily because in 2005 there was a lot of bureaucracy to resolve, mostly when the investors were foreigners. It is very important to have a good partner that can guide you on the legal and financial path to make the process smooth. The process was easy but that's just because we were very well

counselled. We have two very important partners: a law firm that helped us since inception to establish the company, create contracts, manage all legal requirements for taxes, and transfer pricing, and so on. We also work with a financial advisory firm that helps us in the day-by-day work related to accountancy, labour, payroll, etc. These two partnerships allow us to focus in the business.

OPENJAW EMPLOYS 30 PEOPLE IN SPAIN. HOW DID YOU MANAGE THE RECRUITMENT PROCESS?

All of them have been recruited locally. The recruitment process is costly but because we want to make it internally and we do not delegate this important task to externals, it takes time to select the right candidates and it takes time for the interviews and selection process. We are a very small company so we try to keep our standards very high when recruiting. Something that has been proven successful is internal recommendations and part of our team has been recruited via employee referrals.

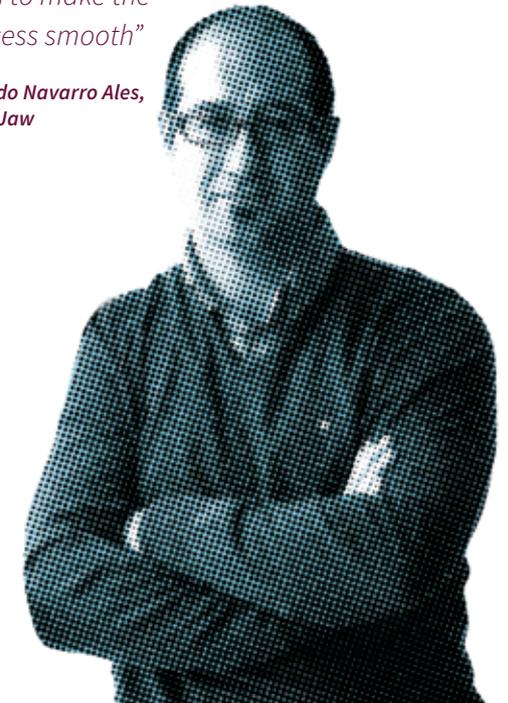
WHAT ADVICE WOULD YOU GIVE TO EXPORTERS THINKING ABOUT SETTING UP OFFICES IN A NEW MARKET?

We made a lot of mistakes, and got a lot of decisions right. The balance, though, is very positive. Maybe if I had to start today I would

be more focused on our 'sweet spot' customers because we lost a lot of time trying to get customers that will never use our technology. But when you are trying to get customers, sometimes you don't correctly define what your target is. Another important piece of advice is to appoint somebody you trust locally. At the beginning this is a very important factor to know that your business is being well cared for.

“It is very important to have a good partner that can guide you on the legal and financial path to make the process smooth”

Ricardo Navarro Ales,
OpenJaw



HOW TO: finance a move to overseas markets

Deciding to export carries significant costs for your company, because by definition your target customers are much further away than at home. Moreover, your company is unlikely to be paid until after delivery, so your business will incur many of those costs upfront – potentially putting a strain on your cash flow. Investigate your options for financing your move to export.

START-UP COSTS

At the very least, you will need to send representatives to the new market on a regular basis for up to a year or longer. You may also need to work with consultants or retain professional services providers in your chosen market. You may need to develop tailored marketing materials or provide sample products. Depending on the nature

of those products, the cost to ship them will vary. Some costs can be predicted in advance, such as:

- ▶ Office rent
- ▶ Shipping and import duties.

Other costs are not fixed, and they include:

- ▶ Staffing costs
- ▶ Currency fluctuations.

A thorough export plan (see section 5) will help you to budget for all of these elements.

PLANNING YOUR EXPORT FINANCE

Planning your export finance broadly revolves around the costs involved in setting up and running an export operation and the approach you need to take to managing payment risk. Credit management, export credit insurance, letters of credit, invoice discounting and factoring are just some of the issues to consider. You also need to consider the

lead-time before receiving your first order and the length of your sales cycle, which can vary from market to market. For example, what are the cash implications for funding a sales cycle of 18 to 24 months? Consult your financial advisor or bank for advice on this.

FINANCIAL SUPPORTS FOR EXPORTERS

There are several options available to you when looking to fund an exporting strategy:

- ▶ Retained cash reserves in the business
- ▶ Your business bank may be able to assist you with letters of credit
- ▶ Export-focused agencies such as Invest Northern Ireland and Enterprise Ireland.

TIPS FOR EXPORT SUCCESS

- ▶ Discuss facilities with your bank to ensure credit when exporting
- ▶ Be aware of potential payment delays when exporting – test how this could affect your cash flow.

CASE STUDY:**CDE GLOBAL**

*CDE Global (www.cdeglobal.com) of Cookstown, Northern Ireland, manufactures and supplies materials washing equipment for quarries and mines worldwide. Founded in 1992, the company has experienced admirable growth over the last 10 years based firmly around an export and product development strategy which has taken CDE into more than 50 countries across the world. Almost all of its business is now outside Ireland. **Brendan McGurgan**, Managing Director, talks about how CDE financed its expansion abroad.*

HOW HAVE YOU FINANCED YOUR MOVES INTO NEW MARKETS?

We've financed the growth into new markets ourselves, putting the required infrastructure in place including the recruitment of business development and engineering teams throughout designated strategic regions across the globe. We've invested our profits from the business: it's been entirely financed through our retained reserves. Regarding the question of property, we've only ever acquired what we needed for the strategic development of the business, to support capacity requirements and enable business growth. Fortunately, we did not get tempted to speculate on property during the well-publicised boom period. Our primary bank has always been supportive during our growth.

WHAT FINANCING OPTIONS HAVE YOU USED THE MOST, AND WHY?

We have traditional working capital facilities available. In terms of exporting we also avail of letters of credit, foreign exchange facilities and bank guarantees. Guarantees can be important when you enter a new region to provide comfort to the buyer on their deposit prior to the goods being dispatched. We obviously aim to protect ourselves in terms of exporting to other countries – we have facilities with our bank to manage letters of credit which is critically important when exporting.

WHAT'S THE KEY, IN YOUR EXPERIENCE, TO MANAGING THE RELATIONSHIP WITH YOUR BANK?

We have a proven track record in exporting now and in this regard the bank trusts that we have enough experience in foreign markets to conduct our own due diligence. The key is to deliver what you say you're going to deliver. Communicate regularly and maintain that open relationship with them.

It's about transparency. No-one likes surprises, least not the banks. We invite them into the business regularly. It's really important that they understand our business. In recent times, they've been proactive and I feel that's important too.

WHAT SKILLS DID YOU FIND WORTHWHILE WHEN SHAPING YOUR APPROACH TO EXPORTING?

I'm a Chartered Accountant, and that provides a background in identifying and managing risks; implementing necessary structures and processes to facilitate growth, especially when developing foreign entities. The accountancy training and disciplines have proved invaluable in the last six or seven years in the midst of the recession, where maintaining a firm eye on your cash position becomes a critical priority. There's a strong financial ethos within the company. However, you need a broad skillset to succeed and fortunately we have a strong team with a diverse skillset which has underpinned our success over recent years.



“We have facilities with our bank to manage letters of credit which is critically important when exporting”

Brendan McGurgan,
CDE Global

HOW TO: protect your intellectual property when exporting

Selling outside of Ireland automatically brings your company into contact with different legal environments, so the rules that apply in here may differ from the countries in which your customers are based. If your product or service is based on intellectual property (IP) which has taken time and money to develop, it's important to protect this appropriately when selling outside your home market.

WHAT IS YOUR IP?

Your IP could be the product your company has developed, your brand, or the way in which you provide your services. As the World Intellectual Property Organisation points out, your IP could potentially be a unique selling point in a new market. However, many companies don't use their IP as effectively as they could.

WHAT ARE THE COMMON TYPES OF IP?

Intellectual property can be in the form of:

- ▶ Patents
- ▶ Trademarks
- ▶ Registered designs
- ▶ Copyright
- ▶ Confidentiality
- ▶ Trade secrets
- ▶ Plant varieties.

Intellectual property includes non-disclosure agreements with third parties, contractors, employees and distributors. The most common forms are patents, trademarks, designs and copyright.

The most obvious type of IP would be patents which cover technical inventions that enable the execution of an innovative idea. Registered, or industrial, designs cover the aesthetic look and feel of products, and there are trademarks which are a form of intellectual property to protect the brand of the company. Copyright, which is an automatic legal right, protects the expression of an idea. Regardless of the industry sector, if you are innovating and creating new products, by definition

you are creating some form of intellectual asset. The IP system is there to help you reap the value of your creativity.

WHY IS IT IMPORTANT TO PROTECT YOUR IP AND HOW CAN YOU DO SO?

It is vital for a company to protect its IP correctly as they have to understand that they have something to protect and they have a willingness to protect their creative thought. It is also important that a company understand that their IP is their original thought and they are not infringing on someone else's intellectual property. This is why businesses need to register their IP. The means by which a company can go about protecting their intellectual property can vary in each jurisdiction.

Protecting IP is territorial; that is, rights are only available in countries where you have applied for them and after they have been granted. As part of your research into export markets, it's essential that you get informed of what you will need to protect your IP in that market because the regimes are so varied around the world. It may be that your IP is not automatically protected in the country where you plan to do business. The best way to ensure intellectual property or all goods are protected is to contact a reputable organisation that can help. Invest Northern Ireland and Enterprise Ireland can advise you of your next steps.

EXPERT ADVICE

Many small and medium-sized companies aren't aware of the importance of intellectual property, or the potentially important role it can play when exporting. Here is a more detailed look at the issues to consider.

WHAT IS THE IMPORTANCE OF IP WHEN EXPORTING?

Primarily, the IP system is an international system of legal processes that gives people the right to stop competitors from stealing the value that they have created through innovation. For example, where a company might have an invention, a company can patent that invention and get a recognised international legal right to protect the ownership of that invention.

When a company goes into a foreign market, they can use these IP processes to monopolise the right to use, make and sell a product in that market. Very often, the intellectual property represents the competitive advantage of the company in a foreign

market by giving legal effect to the ownership of the intangible value of innovative products, services and brands.

WHAT IS THE RISK OF NOT PROTECTING A COMPANY'S IP IN AN OVERSEAS MARKET?

If a company launches a new product, what tends to happen is, competitors will look at the unique design or technical features of that product, and will try to copy it to give them some advantage. If the company hasn't protected those features as IP, such as a technical invention as a patent, then the competitor can reverse engineer the product and that the company that originally developed it may not be able to stop them. As a result, your competitors can benefit from your investment in innovation.

WHAT ARE THE BENEFITS TO PROTECTING IP IN FOREIGN MARKETS?

By definition, if a company is truly innovative and they are creating new intangible value, there is no other system other than the IP system to capture that value as an asset of the business. So IP allows companies to get out into the market and profit from innovation by exploiting their intellectual assets. A more suitable term might be Intellectual assets because it is a broader catch-all term that includes 'softer' IP as well as hard IP like patents. For example, many companies compete based on their trade secrets, even if they don't know it. So it is very important that businesses manage the

confidentiality of their key knowledge and information so that it is captured as assets for the benefit of the company. If a company captures its intellectual assets and protects them correctly, then it increases the possibility of extracting more value from those assets. If they don't, they run the risk of losing that value. They also run the risk of inadvertently infringing on other people's intellectual property, and that can be extremely costly.

There's also a third reason: companies always have a primary market objective when developing a new product but there can be other market opportunities for the unique features of the product. For example, if you come up with a new patented invention for a better door latch for the construction sector, it might also solve a problem for the automobile industry and you can license its use for that application. Therefore, by capturing a new development as intellectual property it enables you to licence it for a fee and get a royalty: the idea has been converted into an asset for the business. It enables it to be used many times over, all simultaneously.

There is untapped value in companies that are innovative but do not effectively capture the output of their innovation. If they don't know the true value of what they develop, then it follows they're not fully exploiting its true value. So every innovative business needs a system to manage their intellectual assets and yes it does take investment. However the starting point is not to rush to the patents office and file a portfolio of patents.

EXPERT ADVICE

Start a few steps back: put in-house processes in place and take a strategic approach, and out of that will come the hard IP like patents.

WHAT CAN A SME DO TO START DEALING WITH ITS INTELLECTUAL ASSETS IN A MORE STRATEGIC WAY?

Companies have to adopt an IP strategy, which sets out their plan to extract the maximum value of their innovation which is manifest in their intellectual property. It gets embodied in the product, or in whatever they have developed. It says “these are the most valuable assets that we have created and they are the parts that we don’t other people to copy”.

The first step is to recognise that these assets exist. An intellectual property audit which can be done by the company itself or else bring in a consultant to do an audit with them. The audit asks things like: what IP do they have that they know about? What key information, knowledge, data, expertise, do they have that gives them competitive edge? How are they managing those and ensuring that that value isn’t seeping out of the organisation? What processes, resources and capabilities and so on does the organisation not have and how can they get them?

This exercise also highlights what you do not have and what you need to do to get it – for example, your audit might show that your employment contracts don’t say what happens when an employee comes up with IP, and what happens if they leave the organisation. Contracts should make clear what belongs to the company. An intellectual asset audit is also, therefore, about identifying those gaps are in the system and putting processes in place to plug them.

There’s no obligation on any company to have a load of patents in order to enter a new market. It’s about going in with their eyes open, and doing what needs to be done to protect your competitive advantage. That will depend on the nature of the product, nature of market, and the resources available to the company. That’s why it’s a strategy. However it can be a difficult, complicated and risky process so it is always advisable to take professional IP and legal advice.

“If a company captures its intellectual assets and protects them correctly, then it increases the possibility of extracting more value from those assets”

HOW TO: manage export growth

Selling beyond your domestic market opens up a range of new opportunities for your company. Potentially, if it goes well, it could significantly increase sales and boost your bottom line. But there are also risks involved. Most exporters say it takes a minimum of one year to make an initial breakthrough, and often a lot longer to become established, in a new market. Can your company afford the cost – both financial and in staffing terms – of business development in a different country? Beware of stretching yourself too thinly. By choosing you over a competitor that may be a local company, your customers are also taking a (calculated) risk. It's up to you to prove their decision was the correct one – not just in the product or service that you sold, but in providing the standards of after-sales care and support that they will expect.

SUSTAINABLE GROWTH

Simply put, can you sell to an international market, or multiple ones, in a sustainable way so that your resources aren't stretched nor your existing customers affected? Does your business have the economies of scale so that production or service costs fall as volume rises? Imagine a scenario where your exports rise significantly: is your company ready for such an outcome: can your factory handle increased order volumes; do you have sufficient staff to provide service to markets in different time zones?

SCALABLE MODELS

To achieve sustainability and success in international markets, our companies need to scale, regardless of their stage of development or industry sector. Scalability needs to be at the heart of your business and revenue model; however, not every company has a business model that can scale. Ask yourself whether it is possible for economies of scale to be achieved in your business (do

production or service costs continue to fall as volume increases)? Also consider the cost of acquiring new customers and the cost of servicing customers in multiple, overseas markets. What about the long-term revenue and profit that can be derived from these customers?

SUFFICIENT RESOURCES

When developing a coherent export plan (see section 5), you will need to decide whether you have sufficient staff in your company to take on the additional work of business development in a new market. If you do, decide who in your company are the most suitable representatives. Keep in mind that some of your chosen employees' original responsibilities may need to be reallocated to other members of your team while they are working on exports. If you don't have sufficient staff numbers to cope with the extra workload, consider whether you need to hire people with specific language skills, or knowledge of a particular country.

Financial resources are also critical. You will need to ensure you are sufficiently well funded when selling internationally, because exporting by its nature tends to involve longer sales cycles than in your home market and it usually incurs higher costs.

SHARING THE LOAD

Business owners, particularly in SMEs, can sometimes be so immersed in the day-to-day running of the company that it's hard for them to take a step back and see the bigger picture. What's more, because exporting is risky and can involve diverting some resources from your home base, it's important to have some checks and balances. One way to do this is by sharing the management of your exporting enterprise across your senior management team. Review your progress at least once a quarter, and undertake a strategic analysis of your efforts. How much are you spending, what are the prospects of seeing a return, and when?

DON'T LEAVE YOUR CURRENT CUSTOMERS BEHIND

The prospect of selling in a new market is understandably exciting, but it's important not to let this detract from maintaining current levels of service with your existing customers. This is especially important for companies with small management teams. You must ensure that your domestic customer base isn't neglected while your business chases sales elsewhere.

TIPS FOR EXPORT SUCCESS

- ▶ Carefully choose which markets you want to export to, and follow through in a structured way
- ▶ Conduct scenario planning – how much growth could your business handle with existing resources?
- ▶ Communicate regularly with customers when making commitments
- ▶ Spread the responsibility for your export strategy among several people, not just one
- ▶ Audit your resources to see how you can meet current levels of demand.

CASE STUDY:

SAM

With one of the most advanced production facilities in Europe and an ever-expanding range of products, SAM (www.sammouldings.co.uk) is the UK market leader in MDF mouldings. After 2008, the Antrim company instigated a move into exporting, working closely with Invest NI to evaluate new markets. SAM began by selling to the Netherlands and has since established distribution networks in Belgium, German and Denmark. Exports now account for around 10 per cent of turnover.

Gerard Wilson, Sales Director, explains how the company is able to grow sustainably while meeting the demands of overseas customers.

WHAT HAS BEEN THE BIGGEST CHALLENGE IN EXPORTING TO NEW MARKETS IN A WAY YOU COULD HANDLE?

Capacity management at the factory in terms of our growth. Even before we became exporters beyond the UK and Ireland, we were always prepared to grow the company in terms of size, people, or machinery: whatever it took to meet demand. We make sure that we don't treat export sales differently. To us, it's all the same demand. At times, we have become really busy, but it's about making sure your lead times are relevant, and doing forward projections as much as possible. We talk to our customers about forward ordering to ensure the factory keeps up to speed. We deal in the truth so it is critical to keep clients informed of despatch

dates and to any change in as much advance as possible as often they are planning their own distribution based on SAM deliveries coming in.

HOW DO YOU MANAGE CUSTOMER EXPECTATIONS EFFECTIVELY?

The essential element is that our logistics team and not sales that dictate customer lead times. This ensures that customers are told the reality. It's making sure the factory dictates: can we make it and when can it leave. Hence, you're dealing with the truth and that's always been our mantra.

With exporting, as it does, bringing on board new clients with new tweaks and specifications, our technical and production departments get heavily involved. We have a process called NPD, or New Product Development, where we assess new products or new customers. We ask ourselves, can we make this product, what does it take to make it and how long will it take to do so?

Through the NPD process, our technical people get involved with the customer directly and deal with relevant technically orientated questions. You need the right people to speak to the right people at the customer's end, and they get to the bottom of the question, for example "do you need this product at this exact specification?" Through that discussion, you eventually come to a conclusion where it's a win-win.

HOW DID YOU PICK YOUR EXPORT MARKETS TO ENSURE YOU DIDN'T OVERSTRETCH CAPACITY?

We didn't just do a shotgun approach. We didn't just invade Europe with people and products and see what was picked up; we worked with Invest Northern Ireland very closely to see what would be a good starting point for our research and the Netherlands came up first. Language was no barrier, logistically it was close, there are good trading routes to get there quickly and efficiently, and the supply chain from distributors on to house builders was similar to Great Britain and Ireland.

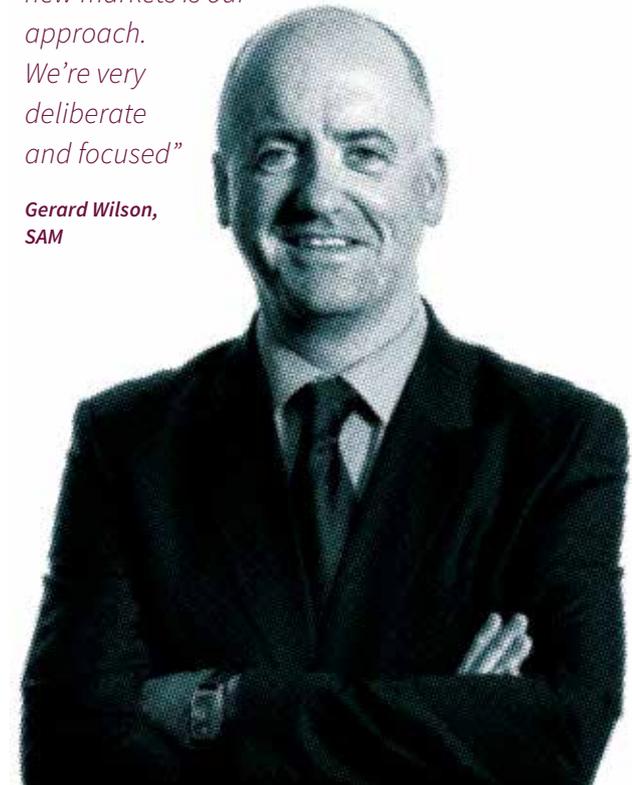
WHAT ADVICE WOULD YOU GIVE ABOUT BUILDING UP EXPORTS WITHOUT AFFECTING YOUR EXISTING BUSINESS?

Slow and steady into new markets is our approach. We're very deliberate and focused. From my perspective, what I want to do next is enhance our situation in Germany, where there's definitely a lot of MDF profile business, and to move into Sweden where we have a couple more targets. Once we had a foothold in the Netherlands, it gave us an avenue into Belgium and it flowed from there. If you took a map of Northern Europe, you would see a very consistent line of attack moving from the Benelux, then into Germany and upwards to Scandinavia. It makes sense that we're not stretching ourselves. It is a nice, tightly controlled map that we're evolving.

To prospective new partners, the fact that you're already exporting gives them more confidence. It says you can do this for them as well. Because we were very strategic in our distribution partners selection process, we are with key people and industry leaders that are very well known in those markets. If you mention other reputable people's names that you're selling to, the others recognise that and it works well in your favour.

"Slow and steady into new markets is our approach. We're very deliberate and focused"

**Gerard Wilson,
SAM**



HOW TO: manage currency differences in overseas markets

When exporting, one of the key risks you are likely to encounter involves working with different currencies to your own. This section outlines some of the issues that companies should keep in mind to protect against exchange rate fluctuations. This will guard against the risk of agreeing a price with a customer, and subsequently having your profit margin reduced – or worse, turned into a loss – by unfavourable movements in foreign currency exchange rates.

YOUR OPTIONS

When selling to customers in other markets, one of the issues to be negotiated is which currency to invoice in. Many customers naturally prefer to do business in their own currency. This may suit the exporter for strategic reasons – for example, the chance to win a deal with an important customer – but it's important to be aware of the potential downsides.

MANAGING FLUCTUATIONS

There is also the practical matter of your company needing to deal in foreign currencies on an ongoing basis as your exports develop. While the issue of currency is important, it shouldn't distract you from your main business. There are several practical ways of mitigating the risk. Your business bank should be able to provide facilities such as:

- ▶ A foreign currency account with money in a particular currency, allowing you to receive and make payments to customers in that market without needing to convert the currency
- ▶ A bank account in your target market's country
- ▶ Forward contracts, whereby the exporter agrees to purchase currency at an agreed rate for a fixed period of time
- ▶ Options – similar to forward contracts – but where the exporter is not obliged to go ahead with the currency exchange.
- ▶ Agreeing a price in your home currency with your customers and suppliers.

EXPERT ADVICE

Headquartered in Tralee, Kerry Group (www.kerrygroup.com) comprises two principal business units: Ingredients & Flavours and Consumer Foods. The Group has manufacturing facilities in 23 different countries and sales offices in 20 other countries. It supplies more than 15,000 food, food ingredients and flavour products to customers in over 140 countries worldwide. Group Treasurer and Chartered Accountant **Declan Crowley** offers advice for SMEs about how to deal with foreign currencies when exporting.

HOW CAN A FIRST-TIME EXPORTER BEST MANAGE CURRENCY RISK?

The first line of defence is to invoice in your home currency and let the customer carry the risk. When you move beyond that, you're getting into a situation of determining the selling power of the seller versus his customer and competitors, and this applies to an SME as much as a large corporate.

If you must sell in the currency of the customer, try and have a pricing arrangement where you can

convert your euro or sterling selling price to the seller's currency on the day of sale. If you hedge that back to your home currency on the day you issue the invoice you have no currency risk and the buyer is still carrying the risk. But the situation is different if you have to issue a price list or otherwise fix prices forward in foreign currency for the coming 12-month period and you don't know when, during that time, the buyer is going to buy. In that case, your company is carrying the risk. In that scenario, try and do a good forecasting of what your foreign currency sales are likely to be in the next 12-month period, and hedge out a percentage – say 50 per cent – of your forecast flows. If there is a higher probability of achieving those forecast flows, you could look at setting a higher percentage. Once sales are made, cover out immediately the any amounts for which you have not already taken forward cover.

If you don't hedge, then your sales will be converted at the rate on the date of collection of the foreign currency sales and you will be vulnerable to whatever the exchange rates might be. This could have a significant impact on your profit. Another issue to consider is, where is your competitor from and what currency are they invoicing in? That can have a big bearing on who carries the risk.

WHAT ELSE CAN A SMALL BUSINESS DO TO FACILITATE FOREIGN EXCHANGE TRADING?

If the volumes of sales merit it, you should open a foreign currency bank account with your bank,

otherwise the bank will apply an exchange rate to your sterling or euro bank account and it may not be as favourable. This way, you're putting yourself in control of the conversion process, rather than someone else doing it arbitrarily on your behalf. I think for sums under \$10,000 or €10,000, the percentage that banks charge can be very high – I call it the tourist rate. If the quantities are bigger, the percentages may diminish a bit it still be significant.

That's one of the reasons to have a foreign currency account. It means you can control the conversion and can you deliver against your foreign exchange commitment. SMEs should engage with the foreign exchange department of their banks as they can provide advice and assistance in account opening, trading and management of foreign exchange and advice on trading.

HAVE YOU ANY OTHER TIPS ABOUT CURRENCY-RELATED ISSUES?

When doing a foreign exchange contract, get a couple of foreign exchange prices if you can, to make sure the prices you're being offered are competitive. In our own situation, we deal all our foreign exchange on an electronic platform which has real-time pricing from a large number of banks and the price differential can be very significant.

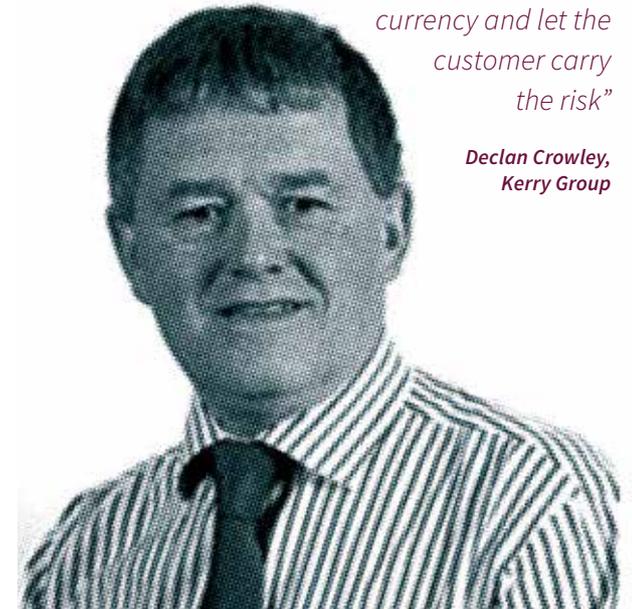
I wouldn't suggest that all SMEs need electronic trading platforms but it might be beneficial to get quotes for more than one bank. There are

also very good web pages such as Bloomberg or Reuters which give an indication of current foreign exchange rates as well as currency conversion apps for smartphones. That way, you can see live pricing so you can have a good idea of what the price should be before you go to trade.

Lastly, it's no good selling something if you can't collect payment, so you should look at options such as getting credit references or using letters of credit from your customers to facilitate payment.

“The first line of defence is to invoice in your home currency and let the customer carry the risk”

**Declan Crowley,
Kerry Group**



HOW TO: deal with tax when exporting

Even if your early exporting efforts just amount to some visits by members of staff to assess a market's viability, it's useful to familiarise yourself with the tax environment in the country where you plan to do business. The further afield you go, the less familiar the tax system is likely to be, when compared to doing business in your domestic market.

FIRST STEPS

The World Bank provides a comprehensive guide which ranks more than 190 countries by ease of doing business there. It is a very useful starting point for understanding at a high level the various tax regimes that operate in various markets. Encouragingly, its recent report suggests many governments worldwide are implementing business-friendly laws designed to make trade easier. Nevertheless, there is still a wide variance in the complexity of tax systems across the globe. For example, tax compliance in Brazil is estimated to take 2,600 hours, or more than one working year for a full-time employee.

PROFESSIONAL SERVICES

Exporters are strongly recommended to seek professional advice at an early stage when planning to sell internationally. In many countries in continental Europe, notaries are commonly needed for tasks such as establishing a subsidiary company or branch office, and you may also need to work with an accountant who is familiar with the local tax laws when arranging to pay the appropriate taxes if required to do so. Take the time to consider carefully what company structure you want to set up in your chosen market, because this will have a bearing on the nature and amount of tax that you will pay.

MORE INFORMATION ON TAX ISSUES FOR EXPORTERS

There is a range of resources to help exporters better understand their tax obligations, no matter where on the island they are based. The tax authorities in Northern Ireland can be accessed at www.nidirect.gov.uk/hm-revenue-and-customs-hmrc. For companies from the Republic of Ireland, the Revenue Commissioners website at www.revenue.ie has information of interest to exporters.

EXPERT ADVICE

*Entrepreneurs and business owners may know their product or service very well, but might not be as familiar with the tax implications of doing business in other countries. **Brian Keegan**, Director of Taxation with Chartered Accountants Ireland, outlines some of the main considerations.*

AT A HIGH LEVEL, WHAT DOES AN EXPORTER NEED TO KNOW ABOUT TAX ISSUES?

The compliance obligations for an exporting company are fundamentally no different to any trader or service provider. Exporters shouldn't think they are in a special category as far as the Revenue or HMRC are concerned: you have the same compliance obligations, you have to register the existence of the company with HMRC or the Revenue and register for the taxes as appropriate, such as VAT, or PAYE if you plan to take on staff.

Start-ups should be aware from day one that registering should be straightforward, but you need certain documentation from the start. There can be considerable delays with VAT registration for instance. Don't enter into a multi-million contract abroad without having it!

You will have to think about how you deliver your goods and services. If, as increasingly is the case, you're delivering goods and services electronically, you've got to think of the VAT consequences of that, and you've got to think of who you're selling to. There are different VAT rules if you're selling to consumers or business-to-business.

THERE WILL BE CHANGES TO THE VAT REGIME IN EUROPE FROM 2015. WHAT IMPLICATIONS DO THEY HAVE FOR EXPORTERS?

These changes mainly apply to businesses supplying to consumers. The rule had been that if you are supplying digital services to consumers, you charged VAT in the country in which you were established, irrespective of where the consumer was based. Now, a digital services exporting company must effectively register for VAT in every country in the EU into which it sells. So, for example, they have to separately account for French, Italian and Spanish VAT at the appropriate rates. Both the Irish Revenue Commissioners and HMRC have devised effective one-stop shop websites to help with the complexity. The fundamental concern for business to business sales is to ensure you have the VAT reference number of the company you're exporting to.

IF A COMPANY DECIDES TO SET UP AN OFFICE IN A PARTICULAR MARKET, WHAT ISSUES ARE THEY LIKELY TO FACE?

The first tax issue you will have to look at if you are contemplating establishing an office is whether or not your home jurisdiction has a double taxation with that country. You want to make sure you get the full benefit of any tax you pay in, say, Germany or France, against your ultimate

domestic tax liability. Both Great Britain and Ireland have extensive networks of double tax treaties with other countries. You will get some form of benefit for the tax you pay in the other country, against the tax you pay here. In tax terms, it's always more advantageous to set up in a country that shares a double tax treaty.

WHAT IS THE MOST ADVANTAGEOUS BUSINESS ENTITY FROM A TAX PERSPECTIVE?

There are a number of different ways of doing it. You could have some kind of agency agreement with a commercial agent in a country, which mightn't constitute you having a taxable presence in the other country. You could formally set up a branch or go a step further and incorporate an entity and there are slightly different tax consequences for both. There's also a notion in international tax law of a "permanent establishment" which is the degree to which you have a presence in the other country, and which will bring you into the charge to tax in that country. You need to take advice to ensure you know if there is a charge to foreign tax. The term 'permanent establishment' often causes particular difficulty: a showroom might not be considered a permanent establishment, but if there are employed staff there who are authorised to carry out sales, then could have a tax liability. People need to be fully cognisant of the extent to which they have taxable presence in the other country.

HOW IMPORTANT IS TAX IN THE CONTEXT OF OVERALL EXPORT PLANNING?

If you're designing your exporting presence purely on tax grounds, there's something wrong. Be aware of tax consequences but don't let tax consequences drive your

business structure exclusively. Let the commercial considerations drive the tax consequences. Don't let the tax consequences drive the commercial considerations.

Recently, I happened to be talking to someone in the digital technology sector; they took a decision to pay too much VAT in a territory, just to get set up quickly. They reckoned the cost of the extra VAT was less than the opportunity cost of a delay in getting started. To my mind, that was exactly the right kind of commercial behaviour. Otherwise, while you're waiting for tax clearance, you could miss a business opportunity. However, as a general rule, it's always much harder to fix a tax issue after the event. It's better to get it right sooner rather than later. If you find at the end of year you haven't been handling a withholding tax for example properly, that's expensive to fix after the fact, so you need to think of the tax consequences before you start transacting.

"It's always much harder to fix a tax issue after the event. It's better to get it right sooner rather than later"

**Brian Keegan,
Chartered
Accountants
Ireland**



HOW TO: navigate local regulations when exporting

Selling in overseas markets will bring your business into contact with different sets of laws and regulations, new customs procedures, licences in certain cases, as well as new standards and certification systems. While this can seem daunting, there are many support services available to early-stage exporters that are unfamiliar with their obligations. This section provides a broad outline of some of the issues you may have to consider.

FINANCIAL REPORTING

Know your obligations for reporting in the country in which you plan to sell, and make sure you follow those procedures to the letter. These rules will vary according to what company form you have chosen. See the sections on setting up overseas (page 36) and dealing with taxes (page 50) for more information. The good news for exporters is, many financial reporting and auditing

systems are becoming harmonised, making compliance obligations slightly less onerous.

CERTIFICATION

Some countries apply sector-specific regulations or technical standards for products and services. Research these properly before entering a market. In some countries such as Germany, for example, accreditations are often held to a higher standard than EU or international norms. Be aware of changes you may have to make to your product or service to comply with local standards; this may also affect how you package and market it.

LICENSING AND PAPERWORK

International trade is subject to heavy regulations for certain categories of goods, and it's essential to have the appropriate documentation. Following the correct procedures prior to exporting will help you to avoid delays in transport or processing. There are also trading schemes such as preferences or tariff quotas which reduce duties in order to boost trade in certain products and with particular countries. You may need to obtain permission to export certain products, such as import licences or certificates. More details can be found at:

www.nibusinessinfo.co.uk/content/import-and-export-procedures or at www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/Export-and-Import-Regulations.html.

BUSINESS CONDUCT

In some markets, you may encounter requests for illegal payment or other forms of corruption. There are now stringent anti-bribery and anti-corruption laws with which companies across the island must comply. Details of the UK Bribery Act are at www.legislation.gov.uk/ukpga/2010/23/contents and a cross-departmental website is at www.anticorruption.ie. Information about combating bribery in international business is at www.oecd.org.

EXPERT ADVICE

Companies exporting to new markets will often face new regulatory issues involving financial reporting, company law, and audit requirements. This will very much depend on whether export activity is conducted through a local entity established in the foreign location. Aidan Lambe, Technical Director with Chartered Accountants Ireland, explains why it's important to become aware of the regulatory frameworks exporters are likely to encounter and the most appropriate business entity for conducting such activity.

WHAT ARE THE KEY REGULATORY ISSUES?

There will be questions such as: what forms of business entities are available in a particular jurisdiction? Which is the most common? What is the most appropriate for the exporting company – is it a straightforward local company, and, if so, what are the company law requirements, financial reporting requirements and auditing requirements? Or, will it be some kind of partnership arrangement and if so, what are the regulatory frameworks around the partnership structure – for example, limited liability partnerships? There may be lots of different potential vehicles, including a joint venture or a branch. If you've a company looking to mainland Britain or to the EU, the advantage there is that

the corporate and regulatory framework that applies to doing business is becoming more and more harmonised throughout Europe. Great Britain and Ireland share quite similar company law regulatory frameworks and the financial reporting requirements are broadly similar in terms of annual financial statements and very similar for filing of information and auditing requirements. And this all hangs off EU law; so while there are probably more differences with mainland Europe than with Great Britain, you still have the same basic company law and financial reporting requirements, whether they are for general corporates or more specialised entities.

HOW EASY OR COMPLEX ARE THESE RULES?

Financial reporting has become much more harmonised over the last 10 or 15 years. You now have international standards for financial reporting by companies, so, for example, similar measurement and disclosure requirements for 'revenue' or 'turnover' exist between all jurisdictions which have adopted IFRS or local standards based on these. And given that international standards have been adopted by more than 120 countries around the world, reporting by companies has become much more harmonised. Similarly, the discipline of auditing has become more internationalised in the last 10-15 years. It is reasonably similar in terms of what type of entity needs an audit and what type of entity is audit exempt. A lot of the legislation impacting on business, such as competition law, product packaging and employment law, is all harmonised on an EU basis.

In today's environment, there won't be too much difference that companies need to cope with. Nevertheless, attention needs to be paid to local regulatory requirements that are particularly relevant to particular businesses or products.

WHERE CAN SMES GO FOR FURTHER ADVICE?

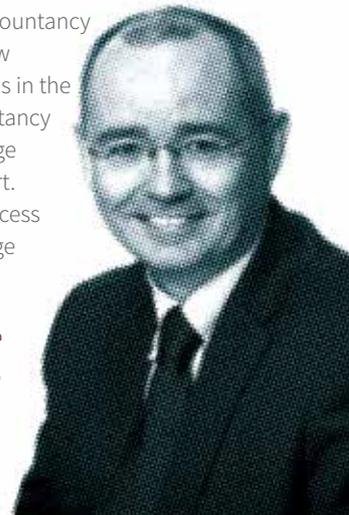
Typically, the larger accounting firms have extremely well-connected international networks, so any budding entrepreneur whether in engineering, pharma or IT, would find a lot of advice available though the larger accountancy practices by virtue of that association. It's quite a seamless service in many respects. Indeed, many of Ireland's smaller boutique chartered accountancy firms also have well established international connections too.

HOW CAN CHARTERED ACCOUNTANTS HELP?

Attention to detail is a key attribute, I believe, of the Chartered Accountant – an essential skill to have when entering new markets with potentially different legal and regulatory requirements. Being a member of Chartered Accountants Ireland gives access to a network of contacts that is second to none and through the Institute itself, we can put people in contact with the appropriate and relevant sources of expertise if they feel they're lacking it themselves. We have very strong links with the local accountancy bodies in Asia, the US, Australia and New Zealand, and with our sister associations in the UK. Those connections to other accountancy bodies globally provides a potential huge network for companies looking to export. Through our own members, we have access to a huge raft of expertise and knowledge throughout the world.

“Financial reporting has become much more harmonised over the last 10 or 15 years”

Aidan Lambe,
Chartered Accountants Ireland





EXPORT PLAN

**Your checklist for preparing
to sell overseas**

The key to exporting successfully is preparation, and the best way to ensure this is to have a clearly written plan, with stated goals, timeframes, and tasks assigned to specific people or teams in your business. You should draw up this plan once you have completed your market research.

The advantage of having a plan is that it allows you to identify whether you are executing according to it, or veering off course, and to decide what action needs to be taken as a result. The more detail in your plan, the better you will be able to measure against its success. It can also help you if you are seeking financial assistance, because it shows external investors that you are serious about exporting.

Having your aims clearly communicated in written form also ensures everyone involved with the plan is literally on the same page, and knows what their own roles and responsibilities will be. This section provides a template to follow when creating your own export plan.

A. MARKET SELECTION:

1. Target markets

Detail your target markets and the key characteristics that led you to choose them. This should be kept to a few key markets to begin with, because spreading your resources – both human and financial – across many markets often results in low return on investment.

Using an Ansoff matrix such as the one illustrated here can be a useful way of putting your strategic plan down on paper. This example shows how you might map your company's current offering to your intended customers, along with the risks and benefits of each option.

PRODUCT/
SERVICE

		CUSTOMERS	
		EXISTING	NEW
PRODUCT/ SERVICE	EXISTING	<p>GROWTH VIA EXISTING CUSTOMERS/CUSTOMER TYPES WITH CURRENT PRODUCTS/SERVICES</p> <p>(MARKET PENETRATION: QUICK PAYBACK)</p>	<p>GROWTH VIA NEW PRODUCTS/SERVICES VIA SAME CUSTOMERS/CUSTOMER TYPES</p> <p>(MARKET DEVELOPMENT: TRY AND USE THINGS IN A DIFFERENT WAY/ REPACKAGE)</p>
	NEW	<p>GROWTH VIA NEW PRODUCT/SERVICE TO EXISTING CUSTOMERS OR CUSTOMER TYPES</p> <p>(PRODUCT/SERVICE DEVELOPMENT: MEDIUM TERM PAYBACK)</p>	<p>GROWTH VIA NEW PRODUCTS OR SERVICES TO A NEW SUITE OF CUSTOMERS)</p> <p>(DIVERSIFICATION: HIGH LEVEL OF RISK)</p>

2. Market positioning

Your market position in all markets may not be the same. A mass-market product in one market may be very high-end in others given import duties, freight costs and so on. Your plan should provide positioning for each target market.

3. Competitor analysis

Focus your research here on where your competitors sit in the market compared with where your product or service will sit. Completing this section requires a great amount of research to understand your competitors. Provide details of competitors in each target market.

4. Distribution methods

Outline how you will get your product or service to the end customers in each target market.

5. Sales goals

Write down your forecasts for sales figures and the timeframe by which you expect to reach your target.

B. PRODUCT/SERVICE

1. Key features/benefits

Include the key features and benefits of your products or services that make them attractive to potential export customers.

2. Changes required

Outline changes that will need to be made to your product or service for export markets. These changes could include packaging design or size, branding, labelling, design changes or redesigning content.

3. Production capacity

Provide details of your spare capacity including any seasonal fluctuations. This will form a basis for important discussions with potential customers or partners and will help ensure you can deliver on orders accepted. If you have low levels of spare capacity, then address how you plan to increase capacity in order to meet potential sales. Waiting until you receive an order is likely to be too late to consider this issue.

C. PRICING STRATEGY

This part of the export plan should address your pricing and how you will manage pricing under different circumstances such as foreign currency fluctuations or a competitor dropping its prices. Your export price calculation should include a list of costs, such as:

- ▶ Potential costs
- ▶ Raw material cost
- ▶ Production cost
- ▶ Market entry cost
- ▶ Communication cost
- ▶ Export credit insurance (customer insolvency, bad debts, overdue accounts, commercial risks and political risks)
- ▶ Total export costs
- ▶ Profit margin (for example 25 per cent) based on the export cost
- ▶ Safety margin (for example 12 per cent)
- ▶ Margin for negotiation (for example 10 per cent)
- ▶ Export tariffs
- ▶ Total export price.

D. MARKET ENTRY

This section of your plan should outline your market entry strategy, including whether you plan to sell via wholesale or retail channels, or if you intend to use a partner such as agent or distributor, set up an office or enter into a joint venture.

E. PROMOTIONAL STRATEGY

Include details here of how you plan to support your customers and partners such as agents or distributors. This should include the number and timing of market visits – you will need at least one, if not two, each year per target market, and potentially more depending on the nature and demand of the market. You should also outline your plans for training in-market partners, preparing promotional materials – including translation if necessary – and advertising.

F. ACTION PLAN

Use this sample action plan to provide timing for following up with those responsible for tasks in the export plan.

TASK	BY WHO	WHEN

G. MANAGEMENT REVIEW AND FOLLOW UP

To give your exporting efforts the best chance of succeeding, management oversight is essential to review the plan and its outcomes. Reflecting on your sales performance regularly allows you to adjust the plan in response to what you measured against. Include key performance indicators that will be used to monitor export performance.



RESOURCES

Useful links and contacts

After reading this guide, you should have a better sense of your company's readiness to export. When you have decided you want to take your exporting plans further, there are a range of supports available to help you get started. For specific export-related questions, contact Invest Northern Ireland or Enterprise Ireland as appropriate. For general enquiries or for Chartered Accountants Ireland members wishing to start a conversation about supporting exporters, see the Chartered Accountants Ireland contact details below.



Contact Invest Northern Ireland:

www.investni.com/contact-us.html
or www.nibusinessinfo.co.uk

Tel: +44 80 0181 4422

Twitter: @InvestNI



Contact Chartered Accountants Ireland:

www.charteredaccountants.ie

Tel: +353 1 637 7200 (Dublin)

Tel: +44 28 9043 5840 (Belfast)

Twitter: @CharteredAcclrl



Contact Enterprise Ireland:

www.enterprise-ireland.com/en/Export-Assistance/get-export-ready/

Tel: + 353 1 7272325

Twitter: @EntIrl

DIRECTORY

Here are some other useful websites to help companies starting their export journey:

World Trade Organisation www.wto.org

World Intellectual Property Organisation www.wipo.int

The World Bank Doing Business rankings – www.doingbusiness.org

Trading Economics www.tradingeconomics.com

International Chamber of Commerce www.iccwbo.org

Foreign Trade Online www.foreign-trade.com

OECD www.oecd.org

Irish Exporters Association www.irishexporters.ie

Small Firms Association www.sfa.ie

Federation of Small Businesses Northern Ireland www.fsb.org.uk/ni

All of the material in this guide is also available online at www.exportstartguide.com

DISCLAIMER

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Chartered Accountants Ireland, Enterprise Ireland and Invest Northern Ireland accept no responsibility for any loss arising from any action taken or not taken by anyone using this material. Readers are encouraged to consult with professional advisors for advice concerning specific matters before making any decision.

CHARTERED ACCOUNTANTS IRELAND

Supporting export growth

Chartered Accountants Ireland and its membership are ideally placed to support potential exporters on the island of Ireland.

A fifth of Irish Chartered Accountants work overseas – some 4,500 people in more than 90 countries. The qualification is internationally recognised and Irish-trained Chartered Accountants are held in high esteem around the world. Chartered Accountants operate at the highest levels on behalf of exporters. Many member firms are part of global networks with intercontinental expertise. Others have expert sectoral or local knowledge. In addition, nearly two-thirds of members work outside of accountancy practice – in every type of industry, many of which export. Whether working in business or practice, each member has the potential to be an influential contact for growing businesses as they expand beyond these shores.

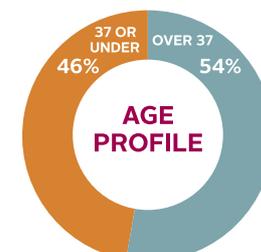
Structures and members' networks already promote business on the island of Ireland, and the Institute also has District Societies of members in London and Australia. In addition, the Institute has access to an even wider network through membership of Chartered Accountants Worldwide, which represents 320,000 Chartered Accountants globally, the Global Accounting Alliance, the Federation of European Accountants and the International Federation of Accountants (IFAC).

Together, Chartered Accountants Ireland, Enterprise Ireland and Invest Northern Ireland can support exporters with expert perspectives and in-market advice.

For general enquiries, or for Chartered Accountants Ireland members wishing to start a conversation about supporting exporters, please contact export@charteredaccountants.ie

23,778 TOTAL MEMBERSHIP OF CHARTERED ACCOUNTANTS IRELAND AT END 2014

FASTEST GROWING
ACCOUNTANCY BODY ON THE ISLAND
37% GROWTH
BETWEEN 2007 AND 2014



MEMBERS OVERSEAS TOP 10 MEMBER LOCATIONS

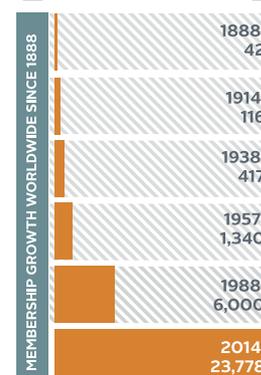
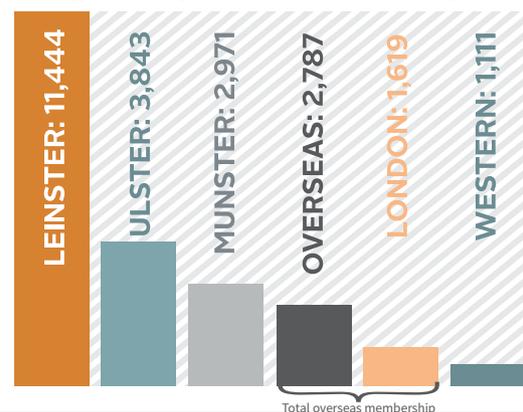


23%
MEMBERS
IN UK & NI

333
MEMBERS
IN
MAINLAND EUROPE

1015
MEMBERS
IN AUSTRALIA

DISTRICT MEMBERSHIP





**All of the material in this
guide is available at:**
www.exportstartguide.com

DEVELOPED BY:



www.exportstartguide.com