



Explore overseas markets for your business

There are many things that are different about trading abroad than trading locally or in the UK. It is important to identify these differences and make sure that the effects on your business are positive.

This involves making sure that you:

1. investigate export markets
2. consider the costs and benefits of exporting
3. find out about the paperwork involved, and the terms and conditions of trading abroad
4. plan the resources that will be needed
5. decide how to check and control quality
6. know where to get information and help

What you need to do

- research information on foreign markets to choose suitable opportunities for your business
- review your products or services and decide if they need changing for sale abroad or if new products or services need to be created
- identify the costs, benefits and risks of trading abroad and get more information or advice if you need it
- set targets for trading abroad and match these to the targets you have already set for your business
- work out precisely what resources you will need to trade overseas and decide if you have enough or if you will need to seek extra funding
- assess whether overseas trading will produce a suitable return on the investment you are prepared to make
- identify the paperwork that will be needed in this country and abroad and set up the information and administration methods you will use
- decide the terms and conditions for selling your products or services and make sure that you meet your business's needs and obey any local laws and regulations
- assess the risks of dealing with overseas customers and take action to keep risks down
- make sure that all people involved are informed about progress and changes and know and understand what they are expected to do



- regularly monitor the progress of your overseas investments to make sure targets are met, problems don't get out of hand and overseas activity benefits your business
- identify any new opportunities that emerge and review the export plan as necessary

What you need to know and understand

Exporting

- where you can find out about the market abroad. (For example business associates, embassies, market research, trade journals, marketing specialists, government departments and export agents.)
- what may affect your business in your chosen overseas market. This could include:
 - financial environment (for example, foreign exchange rates, changes and restrictions, insurance availability, export and import duties);
 - competitors' activities, including other exporters from the UK;
 - laws;
 - credit control (for example, ways for getting payment from abroad or encouraging early payment);
 - time zones; and
 - cultural and language differences
- how to work out the costs, benefits and risks of trading abroad. This could include:
 - costs (for example, foreign exchange rates, foreign travel, transport and distribution, agents' fees, insurance, credit, export credit guarantees, import duties, packaging, promotion or bad debts);
 - benefits (for example, increased markets, quantity of sales, trading agreements or increased profits); and
 - risks (for example, less sales than expected, changes in exchange rates, distribution problems, late payment, patent and copyright infringements, trade embargoes and international conflicts)



- how to launch your products or services overseas. (For example by stages or by using different distribution channels for exporting, such as direct sales, agents, collaboration or licensing.)
- how to guarantee a suitable return on your investment. (For example through matching your prices to the market and by working out your profits in pounds.)
- how long it will take to get the export plan up and running, and how these timescales can differ in different types of overseas markets
- what export paperwork is needed and the costs and benefits of information and administration methods. (For example for communication, monitoring and recording export activities, overseas customer contacts and handling paperwork.)
- what the usual payment and delivery methods are for exports and how to decide the terms and conditions you will offer and that they will meet customer needs. (For example price, payment methods, delivery arrangements, after-sales agreements, insurance and credit.)
- how you will work out whether exporting has been successful for your business and how to spot new opportunities. (For example new markets in other countries, new products or services, increasing sales and distribution.)

Resources

- what resources you will need. (For example for preparing the product or service, promotion, finance, staff, premises, administration and distribution.)

Selling

- how to assess the risks of different types of customer

