

- indicate which party is responsible for compliance with the regulations, standards and codes of the export market, its packaging and labelling laws, and its transportation regulations;
- make provision for arbitration to reinforce the fact that it is preferable to settle a dispute outside of court;
- specify who will assume financial liability if governing laws increase warranty protection and product liability; and
- specifically address all other matters agreed to by the parties.

ORDER PROCESSING AND ORDER FULFILLMENT

How a company responds to foreign orders will potentially have a huge impact on the scope of its business. Ideally, it should have a system for dealing with foreign business before it receives its first inquiry. A larger organization may designate a specific division as its export sales office. In smaller companies, the functions performed by such an office may fall to one individual. Much depends on the efficiency with which the export sales function is handled and how well integrated it is with the other parts of the company. This involves defining and assigning responsibilities for export sales, production, storage, assembly, packaging and shipping, then establishing clear lines of communication between the groups involved.

ORDER ENTRY

Orders can enter the system in a number of ways. They may be brought in by sales personnel, or they may come in by mail, fax or phone. However they are received, the system should respond to orders by performing whatever credit checks and other validation are required. It should also trigger an immediate inquiry to determine whether or not the product is available in inventory in the quantities ordered. If the product is not in inventory, the export sales office should find out when it is scheduled for production. And it should determine if any modifications are required to the normal production process.

The customer's order must match the specifics of any quotation sent previously from the firm to the potential buyer. The sales office should verify that the order is based on a recent quotation and not one that is out of date. It should also examine the proposed methods of payment to establish their acceptability. It should check to see if the buyer wants the seller to arrange for shipping, freight and insurance. Finally, the sales office should note whether or not the customer will need a pro forma invoice in order to open a letter of credit on behalf of the exporter.