Delivering products

There are four ways of getting your product to your customer's doorstep. Choosing the right shipping method, or combination of methods, is vital to export success – you want the product to get there on time and at the right cost.

Truck – trucking is popular for shipments within North America. Even when you're shipping goods overseas, trucks often deliver the product to its final destination. The quality of trucking services declines, however, once you go beyond the major industrialized countries.

Rail – this is another common option, especially when shipping to the United States. Rail is also widely used when shipping to seaports for transport abroad, and from seaports to a final destination.

Air – international air freight is another possibility. Not all destinations are covered, however, and special charters may be required for more exotic markets. Shipping by air is more expensive than surface or sea transport, but the higher costs may be offset by faster delivery, lower insurance, cheaper warehousing and better inventory control.

Ocean – goods exported to offshore markets are most often transported by ocean carriers. Shipping large items, bulk commodities and goods that do not require fast delivery is more economical by sea.

Using Incoterms

To provide a common terminology for international shipping and minimize misunderstandings, the International Chamber of Commerce developed a set of terms known as Incoterms. These are listed and described in the Glossary under "International commerce (INCO) terms."

Freight forwarders and brokers

You'll need to deal with a lot of documents when delivering products to foreign countries. However, you don't normally do it all yourself – you use freight forwarders and customs brokers.

Freight forwarders – a freight forwarder will help you improve your delivery times and customer service. Many specialize in arranging shipments to certain countries, while others concentrate on particular types of products. And if you're arranging financing through letters of credit, a good freight forwarder can help you clarify the conditions of the transaction.

These agencies will negotiate rates for you with shipping lines, airlines, trucking companies, customs brokers and insurance firms. If you want them to handle all your logistical requirements, they will. Or you can just have them negotiate a shipping rate; it's up to you.

Customs brokers – brokers clear goods through customs, prepare customs documentation and remit duties owing on exported goods. They are also good sources of information on recent tariff changes and other customs-related developments.