EVALUATING YOUR EXPORT POTENTIAL

Let's start by taking a look at some of the activities involved in exporting – activities that require time, effort, money and expertise, all of which should be assessed before entering the international marketplace.

The first step is to evaluate your export potential by taking a careful look at yourself. Determining whether your product or service is suitable for sale abroad begins with an evaluation of its competitive strengths and weaknesses in the Canadian market. It involves knowing who buys your product or service at home, what needs it satisfies for existing customers, and its strengths and weaknesses in comparison to the competition.

By answering the following questions, you should be able to assess the competitiveness of your product or service.

- Who already uses your product or service? Is it in broad general use or is it limited to a particular group? Is it particularly popular with a certain age group?

Evaluate both your organizational and product readiness for exporting in the following areas:

▶ financial resources

▶ commitment to exporting

▶ possible competitive advantages abroad

- What modifications are required for it to appeal to customers in a foreign market?
- Is its use influenced or affected by climatic or geographic factors? If so, what are they?
- What is its shelf life? Will it be reduced by time in transit?
- Does your product or service involve operating costs? If so, what complementary equipment or services must the customer buy?
- Does it require professional assembly or other technical skills?
- Is the packaging particularly expensive? Can it be modified to recognize the specific demands of the foreign customer? Does it require special documentation? These costs should be added to the unit cost to determine whether or not you can export at a competitive price.
- What are the technical or regulatory requirements? They may differ from country to country.
- What after-sales service is needed? Is it locally available or is it up to you to provide it? If you need to provide it, do you have the resources?