

country's exports. So the retailer trading facility organizes its own and other non-competitive merchandizing companies to meet the obligation. The retail trading facility executes the agreements, conducts the purchases, and distributes the goods. All of which proves very attractive to the retailer attempting to enter new markets and find new sources of products and to do so at a higher gross margin with greatly improved profit performance. The retailer also secures goodwill by assisting the exporter and thus acquires a new role as an "associate exporter" (slide #8).

#### Validating the Hypothesis: Retailers can be Successful Traders

In this one retailer's experience of less than six months, the evidence suggests that the government task force hypotheses is valid. Involvement in trading creates a "win-win" situation and provides significant, tangible benefits for participants.

But it also seems that to obtain these benefits, it is wise to observe certain guidelines:

1. Launch trading efforts under a protective and committed corporate umbrella;
2. Integrate both import and export functions within the trading facility;
3. Deliberately, exploit existing functional expertise; product knowledge, inventory management, credit, warehousing and distribution, etc;