

A NEW LOOK AT EXPORTING

Exporting: Intuition Versus Strategy

A recent survey of several successful exporting companies has brought some interesting information to light.

Many companies tended to pursue a clear-cut strategy. Their approach to exporting was structured and was part of a carefully designed business plan.

Other companies, by contrast, were doing just as well without an exporting strategy. They got into exporting by chance: someone placed an unsolicited order, the owner or president discovered an opening for his company's products while vacationing abroad, or they just happened to reply to the right proposal in *CanadExport's* "Business Opportunities" column.

Intuition or Strategy

Is it best to operate by intuition, or should you have a carefully laid-out plan?

Since not everyone has the same power of intuition, I prefer to see intuitive feelings decided or confirmed on the basis of a clearly defined analysis and strategy.

Exporting by intuition alone is like buying lottery tickets: you might win; you might not. With a strategy and an action plan, the percentages are on your side.

A strategy is a formulation of plans to place an enterprise in a position where it can survive and prosper relative to its global competitors. Your plans must enable you to take advantage of market conditions.

A strategy is determined by the ultimate goal of the company. It depends on openings in the mar-

ket, the resources and capabilities of the company, management's values and goals, and its obligations to society — consider, for example, the effect of the local content requirement established by the CRTA.

Usually, a company's ultimate goal — using its expertise to manufacture a specific product or products — is to generate profits and bring a return to its shareholders. This ultimate goal is expressed in terms of objectives.

For example: A company may manufacture a watch for use by left-handed people in an attempt to capture an untapped or niche market in a specific dollar range. The external mechanisms would appear opposite to where they normally are found.

While the manufacturing here represents a technological challenge, evaluating the market — and the company's ability to capture it — is an analytical undertaking.

Many people believe they have all of their strategy in their head. But if they cannot put it down on paper, they fail the test of clarity. How will they be able to put a plan into practice if they are unable to express it in writing?

An easy way to evaluate the content of a strategy is to ask yourself some basic questions concerning methodology: Exactly what do I wish to do? How am I going to achieve my goal? What resources will I be using? At what stages will I measure the results? What criteria will I adopt?

The context in which a company is operating will enable it to establish its objectives. These objec-

tives require initiatives. The initiatives, in turn, must aim at measurable goals. Preparing a business strategy is a matter of long-term qualitative and quantitative planning. It involves a good deal of work — in other words, time must be set aside from the pressures of daily business. But you will find that the fresh insights and new perspectives gained through preparing a business strategy are well worth the effort.

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