

## A NEW LOOK AT EXPORTING

### "I'm Ready to Export"

Before this assertion can be made, the prospective exporter must scrutinize his or her business from the viewpoints of management, marketing, production, finance and human resources.

To many companies, the challenge of exporting is simply to determine a market for their product or service. Little, if any, consideration is given to their export capability. They already assume that they are capable. The thought of carefully and objectively examining whether they actually are capable never crosses their mind.

Because of this, *CanadExport* and Info-Export are offering companies a unique opportunity to examine their export readiness. A software package (the questionnaire on pages 6-8 which you are invited to complete) was prepared to assist small-to-medium-size businesses in identifying and then tapping their export potential. The software's evaluation/assessment of your replies should enable you to objectively identify your company's strengths and weaknesses in terms of export potential.

The results of the evaluation are not the last word on all the questions that must be asked before you decide to export. The program uses relatively limited information about your company and therefore is able to generate only a tentative rating of your company's organizational and product strengths.

What we are providing is the first step in an in-depth examination of a company's export potential. With sound business judgement and the advice of independent specialists, particularly those at your region's International Trade Centre, you will be able to complete this self-examination and reach a mature decision.

Let us now consider a company in an ideal state of export readiness.

#### **Management**

Management is well-coordinated. When information flows smoothly at this level, it is rapidly available to those who need it. Coordination of the company's activities is an ongoing process.

#### **Marketing**

Competitors in the target market are known — as are their prices and their marketing methods. The target country's trade practices — the convertibility of its currency, its regulations and its barriers — have been studied. You can determine

your price in a flexible, competitive manner, taking possible margins for middlemen into account.

#### **Production**

Deadlines are always met. Substantial orders can be taken without compromising your operations or your viability. Adequate stocks are on hand, and you avoid leaving yourself at the mercy of only one supplier. Your products are improved continuously, are able to undergo modification to respond to customer needs, and are subject to effective quality control. Your after-sale service is well organized, and responds rapidly and efficiently when needed.

#### **Financing**

Operating budgets are perfectly up-to-date and include estimated costs produced by a careful international marketing effort. (Exporting costs generally exceed the most cautious estimates of new exporters, and solid reserves are needed to offset unexpected expenses). Commitment is complete in terms of both finances and human resources.

Of course, you are fully familiar with the methods of payment used in international trade, and with the risks that they can entail.

#### **Human Resources**

Management is keenly interested in international trade and is prepared to devote the time, money and personnel needed to succeed in it. These people have experience with international markets, speak the language of the target market and are familiar with its customs.

#### **In Practice**

You might not recognize your company in this theoretical model. The objective is to make you think of the alternatives and consider ways of strengthening your weak areas.

For example, if you do not know the language and cannot provide service to the target market, will you be able to find a distributor to take charge in these areas? The answers to many problems lie outside the company itself.

Only when you can answer "yes" to the question, "Am I ready to export?" is it reasonable to ask yourself, "Where to?"

**René-François Désamoré**  
Editor-in-Chief