



As our regular readers know, Thomson Orchard Partnership specialises in helping organisations develop high growth business plans. Ian and Janice don't know everything! So, from time to time they seek assistance from trusted specialists. Malcolm Gresty has a strong construction engineering background and focuses on innovative national and international sales and marketing strategies. He has experience of working in a range of industries covering many parts of the world.

Selling products or services overseas can be very rewarding financially and emotionally. Overseas markets are exciting, bringing benefits from variations in the global economy, providing more opportunities and spreading the risk for a business looking to grow.

Unfortunately, export is not a silver bullet for guaranteed business success. Problems with poor products, service, processes, operations, delivery, customer care and quality in the domestic market can be magnified many times when selling overseas. Success is ultimately down to the aspiration, hard work and commitment of senior management and employees. This topic is, of course, particularly relevant in these uncertain Brexit times. Despite the Brexit hoo-ha, there is more to the world than just Europe in terms of export. However, opportunities are ever changing, so flexibility is the key. Consider Trump's new tariffs that are likely to deliver more threats than opportunities.

The challenges

Selling overseas brings many new challenges to consider and address, as discussed below.

The global economy

It is vital to understand the global economy in the context of your business plan and explore each specific market to understand the challenges fully. It is essential to have a flexible export strategy and quickly adapt to respond to the opportunities that arise.

Culture, language and bureaucracy

Dealing with clients overseas is very challenging. Even speaking the same language can lead to misinterpretation. Multiple time-zones, labelling, local regulations and translating operating manuals can be resolved by employing locals and bringing language skills into your business.

Sales proposition and pricing

The sales proposition and pricing must be adaptable for each market. It may be surprising the price Australia can live with and what the Middle East wants! Get to know the market face to face through country visits, trade shows, conferences or exhibitions to grow your network and understand the competition.

Commercial matters and getting paid

Cash-flow is king so take every measure to ensure that you get paid. Arrange up-front payments or define a schedule of payments, and stop supply if payments are not made. Consider fluctuations in currency or commodities, use irrevocable letters of credit and UK Export Finance where possible. Crucially, maintain the highest ethical standards and never resort to bribery or corruption.

Project handling

Manufacture and test to the best possible standard prior to shipping as it is far easier and cheaper to rectify an issue in the UK than having to deal with it overseas. Manufacture in-market may help to mitigate import duties but be sure to undertake due diligence and continue to monitor quality, progress and finances.

Delivery

Delivery is very important whether it is posting a package, loading a container or issuing a report. There are cost, quality and, most important of all to customers, timing issues to consider. Correct export documentation through a Chamber of Commerce will help smooth the shipping process. However, reputations can be quickly ruined if your product does not arrive in one piece and on time.

Building trust

The toughest challenge is building trust with your supply chain in the UK and overseas, and knowing how a customer can behave. This is especially true when exporting for the first time as you have no experience. Even experienced exporters in new markets, sectors or with new customers can struggle.

How difficult is it?

All business seems to be difficult at the moment. Never has the expression "Fail to Plan, Plan to Fail" been more relevant. Like stocks and shares, past performance is no guarantee of future success. However, no experience is almost certain to end in failure. Leave nothing to chance and build around you a strong team of experts and resources to direct the strategy, study your sector and your target market and invest in delivery accordingly.

If you are interested in these ideas, please contact us to arrange a no-commitment meeting to discuss how we may help you.

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Thomson Orchard Partnership

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