

GO GLOBAL

EXPORTING CAN OPEN UNTAPPED MARKETS FOR YOUR COMPANY, BUT LIKE ANY NEW BUSINESS STRATEGY, IT'S NOT SOMETHING YOU JUMP INTO BLINDLY. THESE STEPS CAN GUIDE YOU IN GOING AFTER GLOBAL MARKETS. **BY CHARLES STEILEN**



12.



22.



30.

12. **GOODRICH
AEROSPACE
CANADA**

18. **INDUX**

22. **ALL WEATHER
WINDOWS**

26. **ASPASIE INC.**

28. **BOEHMER BOX**

30. **NUFORM
BUILDING CORP**

According to U.S. Department of Commerce statistics, less than 2 percent of all U.S. companies have ever exported anything, and of those, 58 have only exported to one foreign market. That foreign market usually happens to be Canada or Mexico. As 95 percent of the world's population lives outside of the United States, overseas market opportunities are out there for many more companies to tap into.

Recently, the United States has signed free trade agreements with South Korea, Panama and Colombia. In addition, the United States is currently negotiating an agreement with the Asia-Pacific region. Unfortunately, that is probably all you know about these markets; thus, you have no clue as to what opportunities are there for your company in those or in any other foreign markets. This is one of the weaknesses in the U.S. export system. You have to go and find out whether or not there are opportunities available to your company in any of the 20 countries in which the United States now has a free trade agreement.

In addition, many U.S. cities have sister city associations. These cities also may offer opportunities – you may already have some knowledge of those cities and have some contacts there. Also, when you do travel overseas, in addition to enjoying a particular country's offerings, spend some time looking at the various types of industries that may offer you an opportunity in which to sell your products. Make some introductions through which you can later follow up.

The objective of this series of articles is to take you step-by-step through a process that will help you to enter your first foreign market or to expand to additional overseas markets. Further steps will be identified and explained in future articles.

STEP 1. IDENTIFY THE RELEVANT OPPORTUNITIES THAT EXIST WITHIN SPECIFIC FOREIGN COUNTRIES.

The new five-year plan of China lays out the priorities for the country's development. It identifies those sectors in which investments are to be made. This enables a foreign company to see whether or not there are any opportunities for that company.

The Brazilian five-year plan on infrastructure development suggests that \$650 billion will be invested in certain sectors as well as specific projects for development and the related dollar amounts to be applied to each sector. The U.S. Department of Agriculture produces a yearly report on many countries throughout the world. Its 2010 report on Hong Kong provides information on specific food-related product opportunities, information about market structure, consumer buying motives and habits as well as food and drink import statistics. Hong Kong purchases about \$20 billion in American food products yearly.

There is an abundance of information available out there. You just need to find it. As an example, the U.S. Commercial Section offices in Turkey have identified 20 different product categories that have offered business opportunities over the past few years.

The information that you acquire helps you to begin to put together a profile of a particular country. This allows you to

identify potential areas of opportunity as well as possible partners or distributors that can be available to you. If you don't have the time or patience to go through this process, find a business school student who has an interest in international business and bring him or her in to find the information for you.

Unfortunately, many companies often agree to go on a trade mission, usually organized by a government unit or trade association, or go to an overseas trade show. Much of the time, all they end up doing is accumulating hundreds of business cards and then returning home not knowing quite what to do about the cards they collected. On occasion, they do get lucky and someone places an order. In fact, they have little knowledge of the countries from which the potential buyers come. In essence, step 1 is never undertaken.

This approach can be defined as a company whose only objective is making an export sale, not developing a market.

STEP 2. APPRAISE YOUR PRODUCTS, SERVICES AND CORPORATE STRENGTHS AND WEAKNESSES

This step needs to be undertaken as it relates to what you have found out in step 1.

- Is there any type of "product or service fit" for your company in that foreign market?
- Do you have the production capacity for that market?
- Do you have sufficient financial capabilities and resources?
- Do you have the necessary service support capabilities?
- Are you able to adjust the product, e.g., size, functions, packaging, etc., to that market?
- Do you understand foreign payment processes and terms?
- Do you have any knowledge of physical distribution/transportation options and processes?
- Do you have any understanding of legal issues and import requirements of that market?
- Do you require translation services in that market?

Again, steps 1 and 2 are all about preparation, learning about the foreign market, having some knowledge about the culture, about how the competition is positioned in that market, and then taking an inventory as to what existing and required knowledge and capabilities your company has and what it will require.

The challenge is to begin to apply steps 1 and 2. Identify just one country and try to apply these steps as they relate to that country and then to your company. Try to profile just that one overseas market in which you may have some interest. **mt**

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