



FAST FACTS 2007

DEVELOPING AN EXPORT PLAN



THINK YOU'RE READY TO EXPORT?

Perhaps you began exporting by accident in response to an overseas inquiry. Maybe you exported once or twice and got swept away in successful Internet and trade show sales. But have you thought about why you're exporting and made your strategy official? An export plan can help your company gain focus on specific products to export, and where to export them for the best profit.

EXPORT PLANNING BASICS

The foundation for your export plan is your current business plan.

Things that are considered essential best practices in domestic business development are often sidestepped when entering international markets. Be sure your current business plan is in order before you attempt to develop your export plan. (JAGOE)

Why do I need it?

A good export plan will help guide and prepare you for operating in international markets. The plan will also help your company communicate export goals, processes and responsibilities internally. This will help keep you on track to achieve clearly identified goals. In addition, an export plan serves a critical role in export financing, by communicating your company's international commitment and professionalism to banks, partners, agents and even potential customers. (JAGOE)

What should it cover?

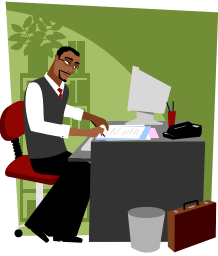
An export plan is simple and flexible. It should identify specific goals and objectives, and the strengths and weaknesses of your product and business. It also outlines all processes, resources, and key player responsibilities. When writing your export plan think of all the parts of the business that are involved in exporting/international trade, not just sales and shipping managers. Since the international arena and export regulations are constantly changing, so should your export plan. Keep it up to date so that it will be referenced often. (UNZ & Co.)

Things to Consider When Writing an Export Plan

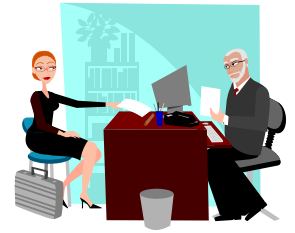
- Which products are best suited for export?
- What markets are most receptive for my products?
- What kind of changes to production, marketing, and delivery will need to be made for exporting?
- Does upper management support export?
- Can customers be found and qualified?

Useful Links for Sample Export Plans

- International Trade Data System
www.itds.treas.gov/exportplan.html
- A Basic Guide to Exporting
www.unzco.com/basicguide/toc.html
- World Trade Organization
www.intracen.org/ec/asp/checker/online/analysis.asp
- Free Business Plans
<http://www.freebizplan.org/>



FAST FACTS 2007



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THE NUTS AND BOLTS OF AN EXPORT PLAN

An export plan can have many formats, so tailor yours to suit your company structure and style. The following seven major components should always be included:

- I. Commitment statement
- II. Company Situation Analysis
- III. Product Background Analysis
- IV. Marketing
- V. Action Plan & Strategy
- VI. Budget
- VII. Implementation Timeline

I. Commitment Statement

Spell out your reasons for exporting. You will gain a huge competitive advantage over other U.S. and foreign firms by responding quickly and correctly to export inquiries, establishing realistic delivery dates, following up, and keeping your customers informed of their shipment status. (JAGOE)

II. Company Situation Analysis

- Why is your business successful domestically?
- What is your growth rate?
- Research industry domestically and internationally, as well as projected industry growth (ASBDC)
- Describe staff resources & your ability to:
 - Communicate internationally
 - Provide technical support
 - Travel abroad
 - Train employees
 - Advertise
 - Manufacture product
 - Repair/Service product

III. Product Background Analysis

Define products for export with regards to:

- Life cycle
- Unique features
- Quality history
- Delivery capability
- Warranty
- Intellectual property concerns
- Competitive advantage

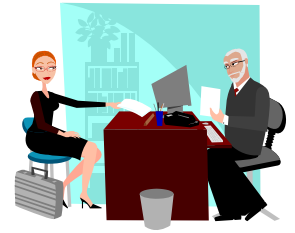
Emerging Markets

An emerging market is a country which is currently experiencing high growth over several years. Emerging markets can be good places to export since they may require goods and services related to infrastructure, the growth of communities, liberalization/privatization of industries, and the rising purchasing power of its citizens. Some current, popular emerging markets include India, China, and newly-added countries to the European Union.



FAST FACTS 2007

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THE NUTS AND BOLTS OF AN EXPORT PLAN (CONTINUED)

IV. Marketing: a 3-Step Process

1. Use macro data to determine a list of about 12 possible markets for export.
2. Select six with steady growth rates, and who has likely customers.
3. Using outside research resources like VEDP, whittle down the list to three markets in which to seek out meeting with customers.

Once you've chosen a target market, consider how your product and accompanying services will need to modify marketing materials and packaging for measurement, language, etc.

V. Action Plan & Strategy

No company can take on the world all at once. Be realistic, and be specific when working out the details of your action plan. Provide a timeline for all steps.

Take advantage of external research resources as well. The VEDP and other organizations offer in-country and international assistance with research and business trips, often for free at a minimal cost.

Useful Links for Country & Industry Research

- U.S. Multi-Agency Portal
www.export.gov
- Foreign Tariffs & Trade Info Center
<http://tradeinfo.doc.gov>
- Country Commercial Guides
www.stat-usa.gov
 - Trade Statistics
www.census.gov/foreign-trade/www
 - CIA Country Profiles
www.cia.gov/cia/publications/factbook/
- U.S. Export Compliance
www.bxa.doc.gov
 - U.S. Customs
www.customs.ustreas.gov

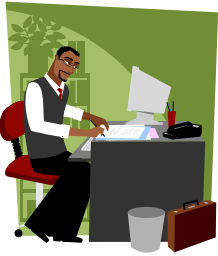
VI. Budget

Focus not just on the cost for you to manufacture your product, but on the entire production/delivery process and your gross margin. Consider distribution, travel, communication, and product modification costs in your budget.

Understand the financial mechanisms available to manage the payment process. Research what organizations like VEDP, banks, customs brokers, and lawyers can offer. (See other VEDP Fast Facts on duties, tariffs, payment terms, and financing for more information.)

VII. Implementation Timeline

Be realistic with your timelines, considering the number of staff involved, their other duties, and travel. Allow enough time for thorough attention to detail, unforeseen delays, and proper account management. Be specific when outlining steps of implementation with regards to the staff involved and exact task at hand.



FAST FACTS 2007



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VEDP TRADE EVENTS

The VEDP hosts a number of trade events which offer Virginia exporters direct access to key contacts in target markets. For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: www.ExportVirginia.org

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