

EXPORTING ESSENTIALS

SELLING PRODUCTS AND SERVICES
TO THE WORLD SUCCESSFULLY

Laurel J. Delaney

Apress®

Exporting Essentials: Selling Products and Services to the World Successfully

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The Apress Business Team

*This book is dedicated to my husband Bob Marovich.
And to the millions of entrepreneurs and small
business owners who desire to export—you motivate
me! Next, to my friends and family for their support in
helping me make my work in exporting a dream come
true. Finally, to booksellers, with gratitude.*

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Author Note

Dear Reader,

More businesses are exporting today because it leads to growth and innovation, revitalizes our economy, and helps create jobs.

If you are a first-time reader of my work, *Exporting Essentials* provides the nuts and bolts to get started fast in exporting and succeed in the export marketplace.

As you delve into this hard-hitting book, use each chapter as a springboard to grow your business. For a more in depth look at exporting, including how to leverage the Internet to export, read *Exporting: The Definitive Guide to Selling Abroad Profitably*, which takes a more comprehensive look at exporting.

Success in exporting is essential for a vibrant creative economy. America's exporters, especially small businesses, are among the country's most dynamic and strongest enterprises. Those strengths are what allow companies to enter and succeed in the export marketplace.

You may be small today, but through exports you can grow to be large tomorrow.

May this book inspire you to reach outside your comfort zone and take on the exciting world of exporting. Strive to be creative. Be fearless. And have fun.

Now go take on the world!

Laurel Delaney

About the Author



Laurel J. Delaney is founder and president of Chicago-based GlobeTrade.com, a management consulting company that helps entrepreneurs and small businesses go global. The United States Small Business Administration has recognized Ms. Delaney as a world-renowned global small business expert by naming her the Illinois Exporter of the Year. She is the author of *Start and Run a Profitable Exporting Business and Exporting: The Definitive Guide to Selling Abroad Profitably*, as well as numerous articles that have appeared in international and scholarly publications such as *The Wall Street Journal* and *The Conference Board*. She is the creator of The Global Small Business Blog (<http://www.globalsmallbusinessblog.com>), which is ranked No. 1 in the world for entrepreneurs and small businesses interested in going global, Women Entrepreneurs GROW Global (www.WomenEntrepreneursGROWGlobal.org) and Exporting Guide (<http://www.ExportingGuide.com>). She serves as the About.com Import & Export expert (<http://importexport.about.com/>), is a charter member and a board member by appointment of the World Entrepreneurship Forum, and a member of the International Council for Small Business. She also serves as the Chicago Chapter Chair for the Women Presidents' Organization. Ms. Delaney's passion for going global goes back to 1985, when she first started her business. Since then, she has devoted more than 60,000 hours of work in the area—from consulting to writing to teaching.

Ms. Delaney holds a Bachelor of Arts degree in Advertising from Columbia College Chicago and a Master in Business Administration from Lake Forest Graduate School of Management.

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And speaking of remarkable people . . . everything I do is inspired by the love and support I get from Bob. I am the luckiest gal in the world to have a husband like him—talented, fun, and energetic!

Finally, to you, dear reader: I am grateful for your interest in exporting. You inspire me to keep on keeping on.

I thank all of you.

Introduction

The economy of the future requires that American businesses compete and win in the global marketplace.

—Francisco Sánchez,
Undersecretary of Commerce for International Trade,
U.S. Department of Commerce,
International Trade Administration (2012)

There are more than seven billion potential customers in the world. How many of those customers is your company reaching? Exporting—or sending goods and services out of a country—increases a company’s sales and profits, enhances its prestige, creates jobs, and offers a valuable way to level seasonal fluctuations. Exporting is also a powerful force that contributes to economic growth, development, and prosperity in our world.

The explosion of US entrepreneurs and small businesses—more than twenty-eight million combined—engaging in the world economy in the last few years is largely attributable to the Internet. This transition has taken place as businesses have sought new ways to grow and tap into the more than 96 percent of the world’s consumers and 73 percent of the world’s purchasing power that lie outside the United States. Surprisingly, though, less than 1 percent of these businesses and individuals operate in the US export marketplace, even though the amount of exporters has grown faster than the amount of nonexporters in terms of both goods sold and employment. Converting nonexporters to exporters is what this book is all about.

■ **Tip** Start planning to sell abroad. The businesses of exporters grow faster, and they employ more people than the businesses of nonexporters.

What This Book Can Do for You

Exporting Essentials, a derivation of *Exporting: The Definitive Guide to Selling Abroad Profitably*, equips you with the basics to export successfully.

Whereas *Exporting: The Definitive Guide to Selling Abroad Profitably* covers everything from Internet marketing to e-commerce, web globalization to

cross-cultural learning, *Exporting Essentials* supplies the nuts and bolts to export in a fast, hard-hitting manner.

There are many benefits to exporting, including:

- Improving your return on investments
- Creating jobs
- Overcoming low growth in your home market
- Outmaneuvering competitors
- Becoming more productive
- Generating economies of scale in production
- Exploring previously untapped markets
- Making productive use of excess domestic capacity
- Diversifying sources of revenue
- Extending the product life cycle
- Insulating your seasonal domestic sales by allowing you to find new foreign markets
- Broadening your personal intellectual horizons
- Enriching your country
- Traveling to new countries

The Current State of Exporting

Export-driven entrepreneurs and small businesses play a significant role in the overall economic growth and prosperity of the United States and the world at large. They have the potential to improve productivity, achieve greater efficiencies, enhance world-class competitiveness, and create jobs. This is possible because:

- *Exporting lends itself to small business.* The number of firms exporting increased by more than 28,000 between the years 2009 and 2012 (the latest available data), reaching a record high of almost 305,000 exporting firms.¹ Small companies also account for about one third of the total value of US merchandise exports in 2012.

¹The Role of Exports in the United States Economy, an economic report by the U.S. Department of Commerce, May 13, 2014: <http://trade.gov/neinext/role-of-exports-in-us-economy.pdf>.

- *Exports generate revenue.* The known export revenue of small- and medium-sized enterprises in the United States rose to \$383.4 billion in 2010 (latest available data), up 24.1 percent from 2009. SMEs were responsible for 33.7 percent of goods exports in 2010.²
- *Exports are growing.* Total US exports for 2013 reached \$2.3 trillion. Goods totaled \$1.58 trillion with records in a number of important sectors, including industrial supplies, consumer goods, and capital goods. Service exports hit an all-time high of \$682 billion, with records in several major service sectors, including travel and tourism, as international visitors contributed \$139.6 billion to the American economy.³
- *Exporting helps you find new customers and develop new markets.* The International Monetary Fund (www.imf.org) forecasts that nearly 87 percent of the world economic growth during the next five years will take place outside of the United States.
- *Exporting supports jobs.* Jobs supported by total exports were 11.3 million in 2013, up 1.6 million since 2009.⁴
- *Exporting using the Internet offers a new sales channel.* Thanks to the Web, entrepreneurs and small business owners have a potent new way of doing business, one that leverages social media and networking to find new business—no matter from where it comes. The Internet has become the ultimate platform by which businesses can innovate through personalization and export around the world.
- *Exporting is imperative.* An export-or-die mentality is required by those individuals and business owners who don't want to be beaten by their competitors—both local and global—in the world marketplace. More so, those who don't export will become obsolete in a world where global connectivity is increasingly prevalent and easy.

²International Trade Administration, http://www.trade.gov/mas/ian/smeoutlook/tg_ian_001925.asp#P27_2705.

³Tradeology, the ITA Blog, <http://blog.trade.gov/2014/02/06/another-year-another-export-record/>.

⁴Ibid.

The Future of Exporting

Exporting Essentials intends to help US companies become more competitive internationally through exporting and to bring thousands of new businesses into the world marketplace. Small- and medium-sized companies account for almost 97 percent of US exporters, but they represent only about 30 percent of the total export value of US goods. With 80 percent of global demand now outside of the United States, it is expected there will be \$40 to \$50 billion worth of export opportunity for the United States within five years. In FY 2013, the Export-Import Bank approved more than \$27 billion in total authorizations to support an estimated \$37.4 billion in U.S. export sales and approximately 205,000 American jobs in communities across the country. For the year, the bank approved a record 3,413 transactions, or 89 percent for small-businesses. Exporting is not just an option; it's an absolute must for building and sustaining a successful future.

What will your business look like in a decade? Our world is in constant motion and growth. Whether researching, buying, or selling, can you imagine operating *anything* these days without crossing borders? Don't be scared if your answer is "Yes." By the time you finish this book, you will have mastered the mechanics to exporting and be ready to export successfully. Until then, don't let fear immobilize you. Keep reading.

■ **Remember** Exporting isn't rocket science. You can do it. And your bottom line will soon show the results of your efforts.

Who This Book Is For

Exporting Essentials is for entrepreneurs and small business owners who are new to the practice, are interested in mastering the mechanics to exporting in a quick read, and are ready to take their business to the next level of growth. It is also for entrepreneurs and small business owners who currently export but are looking for a refresher on the fundamentals.

Exporting Essentials will help you:

- Develop a clear strategy on how to export
- Export your product or service efficiently and profitably
- Find customers, enter new markets, get paid, and ship

- Discover your best territory through statistics and market research
- Develop pricing and prepare documentation

How to Use This Book

Exporting Essentials has been created and structured in a way to make it as easy and fast as possible to learn the mechanics of exporting. The book's thirteen chapters work together to achieve that goal by providing the following descriptions of the process:

Chapters 1–3 look at whether you are ready to export, how to write an export business plan, and how to prepare for exporting by describing the legal and financial considerations.

Chapters 4–6 examine how to research an export market, adapt a product for export, and prepare a service for export.

Chapters 7–8 offer ways to find cross-border customers and several different methods of exporting.

Chapters 9–13 explore transport options, pricing considerations, payment methods, cargo details, and documentation.

First things first: You need to be *ready* to export, because the world wants what America makes. As you turn the page to Chapter 1, you are opening the gateway to selling globally. *Let's export!*