



# EXPORT PLAN TIPS & OUTLINE

The Connecticut Small Business Development Center provides expert guidance for small businesses who are new to exporting, looking to enter a new international market, or start importing. This guide will help you prepare your business for international trade.

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## Export Plan Tips

- The first time an exporting business plan is developed, it should be kept simple. It need be only a few pages long because important market data and planning elements may not yet be available. The initial planning effort itself gradually generates more information and insight. As you learn more about exporting and your company's competitive position, the export plan will become more detailed and complete.
- Your plan should be written and viewed as a flexible management tool, not as a static document. Plan objectives should be compared with actual results to measure the success of different strategies. Don't hesitate to modify and make the plan more specific as additional information and experience are gained.
- A detailed plan is recommended for companies that intend to export directly, meaning selling to an end-user in another country. If your company chooses indirect export methods or sells via your or a third party's website, you may use much simpler plans.

## The Value of an Export Plan

- Written plans give a clear understanding of specific steps that need to be taken and help assure a commitment to exporting over the longer term.
- Only about a third of small -and medium-sized U.S. manufacturers have a written plan. Absent a plan, your business may overlook much better opportunities. In addition, reactive exporters may quickly give up on selling to international customers, concluding prematurely that it's not worth the effort, or that it's easier to serve customers closer to home even if that base may not grow, and could even shrink in the future.
- Remember that while 59 percent of all U.S. exporters export to only a single market (predominantly Canada), many small exporters sell to more countries than they have employees, and these sales account for a growing percentage of total sales. These mini-multinationals are becoming more common, and your company can be one of them.

## **Length of the Export Plan**

Your plan need only be a few pages to start. Here are some important preliminary questions to ask and the answers will become an integral part of the plan.

### **Product or Service**

- What need does my product or service fill in the global marketplace?
- What modifications, if any, must be made to adapt my product for export markets?
- Do I need special licenses or certificates from the U.S. or the buyer's government?
- Do I need to modify packaging or labeling?

### **Pricing Considerations**

- What is the cost to get my product to market (freight, duties, taxes and other costs)?
- Given an estimate of the shipping costs, what is my pricing strategy?
- What, if anything, do I need to protect my intellectual property?

### **Promotion**

- What modifications, if any, should I make to my website for marketing purposes?
- Should I sell on third party eCommerce platforms?
- What kinds of social media should I use to build awareness?
- Should I attend a trade show where international buyers are present?

### **Management Issues**

- Are the reasons for pursuing export markets solid objectives (such as increasing sales volume or developing a broader customer base), or more frivolous (for example, the owner wants an excuse to travel)?
- How committed is top management to exporting? Is exporting viewed as a quick fix for slumping domestic sales? Will export customers be neglected if domestic sales pick up?
- What are the expectations? How quickly does management expect export operations to become self-sustaining? What level of return on investment is expected?

### **Experience**

- With which countries has business already been conducted, or inquiries already received?
- Which product lines are talked about the most?
- Are domestic customers buying the product for sale or shipment overseas? If so, where?



- Is the trend of sales and inquiries up or down?
- Who are the main domestic and foreign competitors?
- What are some lessons learned from past export experiences?

### **Management and Personnel**

- What in-house international expertise does the company have (international sales experience, language capabilities, etc.)?
- Who will be responsible for the export department's organization and staff?
- How much senior management time should/could be allocated?
- What organizational structure is required to ensure export sales are adequately serviced?
- Who will follow through after the planning has been done?

### **Production Capacity**

- How is the present capacity being used?
- Will filling export orders hurt domestic sales?
- What about the cost of additional production?
- Are there fluctuations in the annual workload? When? Why?
- What minimum-order quantity is required?
- What is required to design and package products specifically for export?

### **Financial Capacity**

- What amount of capital can be committed to export production and marketing?
- What level of operating costs can be supported by the export department?
- How are initial expenses of export efforts to be allocated?
- What other new development plans might compete with export plans?
- By what date must an export effort pay for itself?
- Do you qualify for any type of export financing?

# Sample Outline of an Export Plan

## **Part I: Export Policy Commitment Statement**

### **Part II: Situation or Background Analysis**

- Product/Service for Export
- Export License (if needed)
- Personal Export Organization
- Products/Services to be Exported
- Products that Qualify Under FTAs
- Resources Outside the Company
- Industry Structure, Competition, Demand Operations
- Export Control Compliance
- Product Classifications
- Resources Inside the Company

### **Part III: Marketing Component**

- Identifying, Evaluating, and Selecting Markets
- Product Selection and Pricing
- Distribution Methods
- Internal Organization and Procedures
- Sales Goals (Profit and Loss Forecasts)
- Terms and Conditions
- Pricing with Consideration of Duties, Taxes
- Freight Costs, and Logistics Included

### **Part IV: Tactics—Action Steps**

- Primary Target Countries
- Indirect Marketing Efforts
- Quarterly Accomplishments
- Secondary Target Countries

### **Part V: Export Budget**

- Pro-forma Financial Statements
- Marketing Materials
- Travel
- Website Enhancements
- Trade Show Visits
- Other Costs

### **Part VI: Implementation Schedule**



- Follow-up
- Periodic Operational and Management Review (Measuring Results against the Plan)

**Addenda: Background Data on Target**

- Basic Market Statistics (Historical and Projected)
- Background Facts
- Competitive Environment