

Formulation of an Export Project

An export plan helps you understand the facts, constraints, and goals around your international effort. Use it to create specific objectives, decide on implementation schedules, and mark milestones of your success. It can also motivate your team to reach goals.

The export business plan is nothing more than an organized way of exposing: what we want to export, where we want to export, how we are going to do it and what resources we must do it.

Key points in an export plan

1. Describe the current business situation.

It is a question of defining the strengths and weaknesses of the company, the long- and short-term objectives.

2. Market Analysis

All export plans must include desired exporting destination and the main features of that market.

In other words, identify the so-called Target Markets, which are nothing more than those that you want to conquer. You must know them as deeply as possible: political, legal, economic, and socio-cultural aspects. This study must range from tariff classifications, description of consumption and market segments, main competing products, technologies, quality standards, product adaptations, costs, and prices for the client, to research and development of new products.

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3. Evaluate the international competitiveness of the company.

You can start by analyzing human resources: number of employees, training, willingness to change residence... Although the most important thing is finance: historical financial information, cash flow, financial statements, main financial ratios for liquidity, activity and of profitability.

4. Operational Phase

This is the core of the export plan. This section defines the market penetration strategy towards the target market, compatible with the firm's long-term objectives. It should state that the operation is feasible from an administrative, technical, financial, and commercial point of view. It must also include everything related to the international aspects of the operation and production. Elements to be considered:

- International Aspects:

- Export price
- International logistics
- Formal requirements to export/import
- Tariff and non-tariff barriers
- Quotes (INCOTERMS)
- Contracts, forms of payment, negotiations
- Containers/wrappings
- Insurance
- Advertisements
- Distribution
- Market development activities
- Contacts abroad

- Production Aspects:

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- Raw materials
- Quality and standards
- Capacity
- Installations
- Localization
- Manpower
- Subcontracting
- Suppliers
- Technology
- Inventory

5. Evaluate the risks.

The words export and risk often go together. You just must get to define the equation in which the income compensates the risk. For this, information is the best tool. It is necessary to identify potential problems that could have a negative effect on the project and develop contingency plans to counteract them. It is time to think about specific insurance.

Reference:

(2023) International Trade Administration

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Retrieved from:

<https://www.trade.gov/develop-export-plan>

(2015) Connect Americas

What should an export plan contain?

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<https://connectamericas.com/content/what-should-export-plan-contain>

(N.D.) Conexión Intal

¿Qué debe contener un plan de exportación?

<https://conexionintal.iadb.org/2017/08/02/que-debe-contener-un-plan-de-exportacion/>