



Straight talk for exporters: *Ten hidden truths about exporting*

I recently reviewed the marketing materials from another export consultant, and at the risk of sounding like I'm suffering from 'competitor envy,' I must say that I'm weary of seeing *export academics* theorize - using a lot of fancy Harvard Business School palaver - about how to make money selling overseas. The bald truth is that exporting is not easy, and unlike a university course where students risk nothing more than a failing grade by not applying themselves, real exporting risks real money from real businesses. So what do companies with good products do if they want to export? Read on to learn *Ten Hidden Truths About Exporting*.

Hidden Truth #1 Being half-hearted about exporting will assure your failure.

In my 30+ years of working with American exporters both overseas and here at home, one thing remains the biggest roadblock to success. It is a lack of commitment to 'go the distance' with an exporting thrust. Everybody in the company must buy in to the concept of exporting from the CEO on down. (This goes for the investors as well.) Without this commitment you might as well stay home and concentrate on expanding your domestic market share.

Hidden Truth #2 The only successful export plan is one that is developed from the ground up.

If you base your export plan on your domestic plan, you will only create more frustration for yourself as you constantly try to adapt it to the new-found realities of your chosen export market. Think of building a car for speed only to find out that your customers want optimal fuel economy and you can see how the cost of re-engineering will suck precious dollars out of your budget.

Hidden Truth #3 Good market research must be translated and interpreted to be effective.

To get the most value from your research you need to work with someone who knows the markets, can verify the data and translate it into a strong selling proposition. It's vital to have good commercial intelligence, but many companies make the mistake of not checking it out with professionals who have lived and worked in those markets or know people who have. Most of us have seen more than our share of statistical tables, but only a few of us know how those statistics have been compiled or what they really mean. Translating important data into something meaningful for your company should be done with the help of a seasoned professional working hand-in-hand with your key people.

Hidden Truth #4 Advertising is not marketing or vice-versa.

The old saying, "He who is his own lawyer has a fool for a client" may be a bit too harsh to apply to those who believe that advertising and marketing are interchangeable elements of an export strategy and can simply be 'tweaked' to succeed in foreign markets, but it's not too far off. To use a medical analogy, think of marketing as the diagnosis of the patient and advertising as the specific agent that brings about positive change. Both are critical to success. Every good marketing plan depends on a good advertising strategy to make it pay off and vice-versa.

Hidden Truth #5 Free advice is usually worth every penny that it costs.

Relying too heavily on government-supplied data or government export assistance is a risky proposition, not because it's bad advice, but because it's usually too general and doesn't take into account the details of your operation or your specific goals and objectives. Free advice may actually end up costing you more than you bargained for when the bill from a failed exporting thrust comes due. A small up-front investment with a qualified export consultant can save you plenty down the road.

Hidden Truth #6 Never buy something from someone you don't know.

When contemplating something as big as exporting, we should never be seduced by fancy Venn diagrams, Mind Maps or colorful Powerpoint presentations. In exporting as in life, "All that glitters is definitely not gold." Consultants can be very persuasive, and the average company ought to take precautions not to hire ones that only know the *theories* of exporting. Instead, look for those who've 'walked the walk' and have a track record. Sit down with them and pick their brains. Make them tell you a story about one of their better known foreign markets and ask them some pointed questions. Then, if you trust them, hire them to do something for you to test their abilities before you jump in with both feet.

Hidden Truth #7 There are many languages of exporting.

Some concepts translate well overseas; some don't. We've all heard the horror stories about big companies that made colossal blunders overseas by not checking out the meaning of American product names in the target foreign language before launching them. While those kinds of mistakes can be hazardous to your product's health, there are other languages that are just as important to master, such as the ones that distributors, agents, regulators and government officials speak. Crafting the appropriate messages for these groups must be done with great care.

Hidden Truth #8 Your distributor or agent is not your friend.

Foreign agents and distributors are businesspeople, first and foremost. While you might be flattered by their interest in your products or in representing you, always keep in mind that they must make a profit on your relationship, so you should do your best to make it possible for them. Start with giving them a territory with good potential and set some reasonable sales targets. Couple that with realistic performance measures and metrics and ABOVE ALL a solid contract that can be adjudicated (if necessary) in the U.S. Like good fences, detailed contracts are there for your protection and make for lasting relationships. And, who knows, maybe in time you will become friends.

Hidden Truth #9 Letting go is the first step towards hanging on.

Appoint a key person in your company to handle the export side of your business. If you are busy running your company now, I can promise you that you will not have enough time to handle your exporting thrust alone. Many small businesses reach the 'let go level' (the point at which the owner or CEO must relinquish some control to other key people in the organization). Plan for it by naming a trustworthy and competent person in your company to take on the task of 'Export Manager' and have him/her report directly to you. Ask your consultant to work closely with you and get an assessment of your Export Manager's progress at different stages of the process. This way, your export thrust will have a greater chance of succeeding and you will end up building a division within your company that can be a real contributor to your bottom line.

Hidden Truth #10 The biggest mistake is the one you don't correct.

Make no mistake, you will make mistakes. It's natural. The trick is not to keep making the same ones over and over again. Minimize your risk by observing these Ten Hidden Truths and you will soon want to apply them to other areas of your business. Remember that thousands of companies have become successful in foreign markets before you. Once you cash that first check from your first overseas' sale, you'll want more. Exporting is truly your passport to a whole other world. Book your ticket now. The markets are waiting for you.



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