



The Riddle of the Exporter

Market Entry Strategy

Topics We Will Cover

- Lookin' For Love in All the Wrong Places?
- A Good Marketing Plan Makes For an Abundant Harvest!
- Apples or Oranges?
 - Define Your Perfect Partner
 - Define Your Perfect Partner in Your Best Market (using the facts)
- Get Rid of Bad Fruit First!
- Your Marketing Plan-Determining the Ripest Fruit For Pickin'?
- Selling Your Wares!



Alphabet of Acronyms

- IPS-International Partner Search
- OFAC-Office of Foreign Asset Control
- USEAC-U.S. Export Assistance Center
- Incoterms
 - FOB

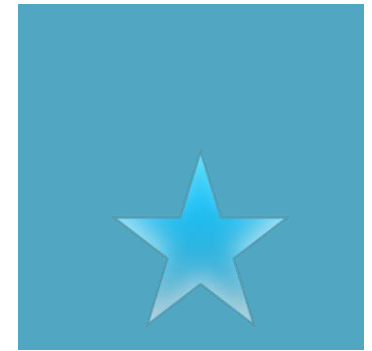
You Started as an Accidental Exporter but...



Want To Turn Into a Girl Scout Exporter!!

Define Your Perfect Partner Apples or Oranges?



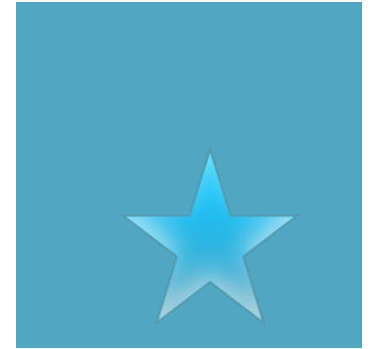


Define Your Perfect Partner?

- More qualitative....
- Who is your perfect client in the U.S.?
- What is the key interest from outside the U.S.?
- How can you take this key interest and expand on it?
- What differences might present themselves in the international market?
- Do you want distributors or specialty stores?

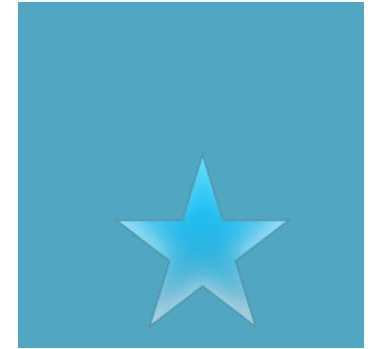


Questions to Ask When Looking for a Partner?



- Entrepreneur or distributor?
- Is it their only business or are there many products?
- Is the owner directly involved in the business?
- What kind of experience do they have?
- Age of the business-new or established?
- What requirements must they meet to qualify?

Define Your Perfect Partner in Your Best Market

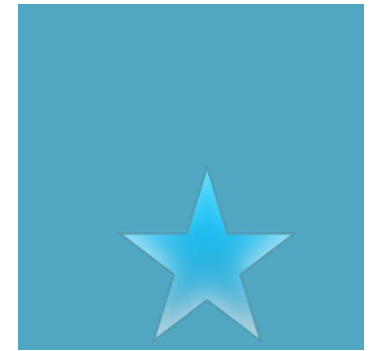


- Quantitative-What key factors define your best market?
- Combined with the results of your market research, use a Ranking Scorecard to narrow the results.
- You determine the categories and importance rank. Select the top three to five markets.

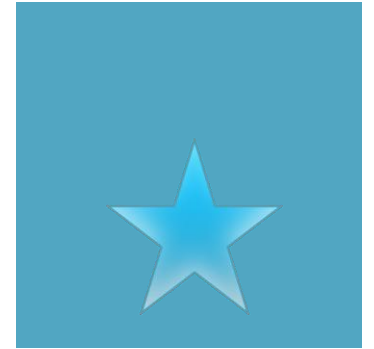


- ★ What are your landed costs? How competitively priced is your product in this market?

Ranking Scorecard

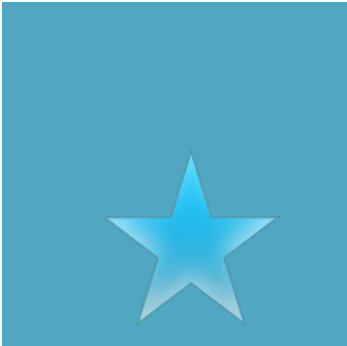


	Population	%	Rank	GDP /per capita	%	Rank	Ease of Doing Bs.	%	Rank	Price	%	Rank	Final Rank
Ireland													
S.Africa													
Australia													
India													
Brazil													
Mexico													
S.Korea													
U.K.													
Mexico													



Pricing Strategy

- Cannot just duplicate domestic pricing
- Adjust to market entry strategy, possibly more aggressive at the first
- Must take into account such things as:
 - Foreign Exchange
 - Tariffs
 - Additional freight & logistics
 - Local market conditions
 - Final costs is referred to as “Landed Costs”

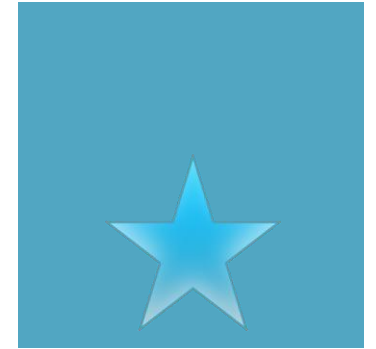


Landed Costs	
Line Cost Items:	
Product (p.u. in Gun Barrel, TX factory)	\$ 10,000
Freight to ship in Houston, TX	\$ 300
Freight from ship to Sydney, Australia	\$ 700
Insurance	\$ 200
Cost Insurance & Freight Total Charge	\$ 11,200
Landing Charges:	
Import duty (10% of FOB) \$10,300	\$ 1,030
Merchant marine Tax 25% of ocean frt.	\$ 175
Terminal handling charges	\$ 225
Compulsory contribution to Union	\$ 50
Custom Broker fee	\$ 700
Bank Costs	\$ 200
Total Landing Charges	\$ 2,380
Total Landed Costs to Sydney, Australia	\$ 13,580

Determining Market Entry Price



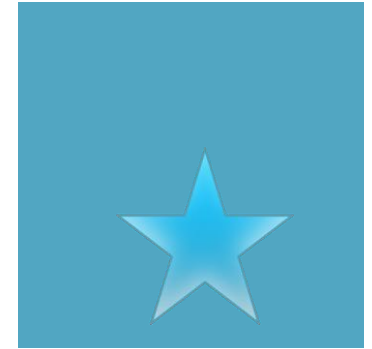
	High Quality Pricing	Sharing the Market	Buying the Market
Entry Price	High	Medium	Low
Type of Product	New/Unique	Not New	Obsolete/Excess
Size of Market	Medium/Large	Large	Large
Competitors	None	Several	Several
Production Capacity	Small	Large	Large
Marketing Program	Strong	Strong	Strong
Financial Commitment	Large	Large	Limited



Get Rid of the Bad Fruit!

- Eliminate unavailable or undesirable territories or clients.
 - *Remember you cannot ship paperclips to Osama bin Laden.*
 - www.ustreas.gov/offices/enforcement/ofac/programs
- Eliminate countries with super strict requirements
 - www.export.gov/regulations/index.asp

Determining the Ripest Fruit for Pickin'? Marketing Plan!



■ Objectives

- 1. Research
- 2. Ranking Scorecard
- 3. Narrow Results
- 4. Prospectus-*Who Are You, What Do You Offer, What Are Your Requirements for Partnership*
- 5. Search and Select

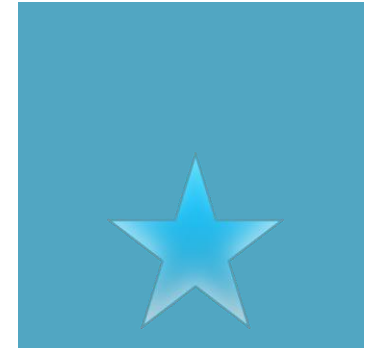
■ Budget

■ Timeline

■ Strategy

✉ Go after the low hangin' fruit first!

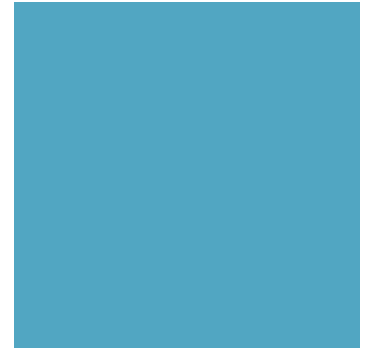
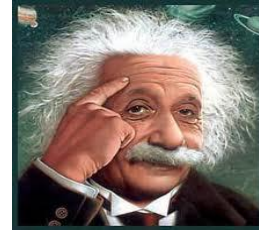
Strategies for Selling Your Wares!



- U.S. Commercial Services-USEAC
 - Gold Key Service
 - International Partner Search
 - Catalogue Shows
 - Reverse Trade Missions
- U.S. Commercial Services in target country
- Chamber of Commerce in target country
- U.S. Commercial News
- Exhibitions & Trade Fairs

What's Next?



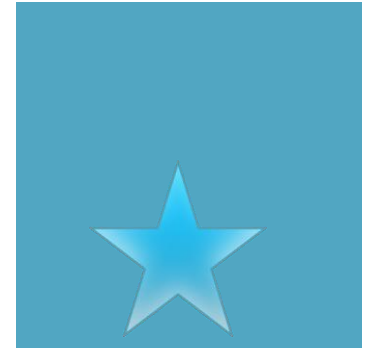


Skill

- What are the key points of this session?
- Name the acronyms or terms that are important to take away.
- What are the key questions to ask?
- What are the next steps?
- What are the red flags to watch out for?
- Any great tidbit of information?



Sources



- U.S.Commercial News
 - <http://www.thinkglobal.us/>
- U.S. Commercial Services international locations
 - <http://www.buyusa.gov/home/export.html>
- U.S.Commercial Services
 - <http://www.buyusa.gov/italy/en/goldkey.html>
 - <http://www.buyusa.gov/italy/en/internationalpartnersearch.html>
- Alberto Rodriguez-Baez, VP, Rainbow Play Systems