

# ROADMAP TO EXPORT SUCCESS

## Training Series

Based on the Book  
BY MAURICE KOGON



*Supporting entrepreneurship since 1983*

## IS EXPORTING FOR ME

Maurice Kogon

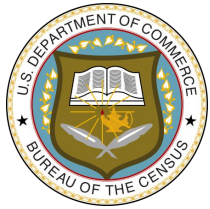
Kogon Trade Consulting

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Supporting entrepreneurship since 1983



# Why Export?

## ❖ Make more money

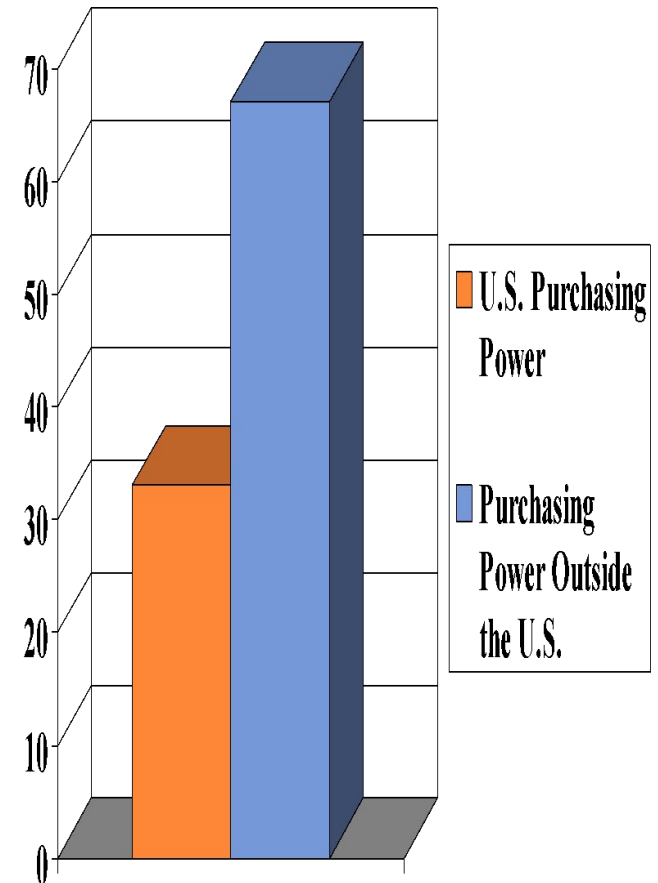
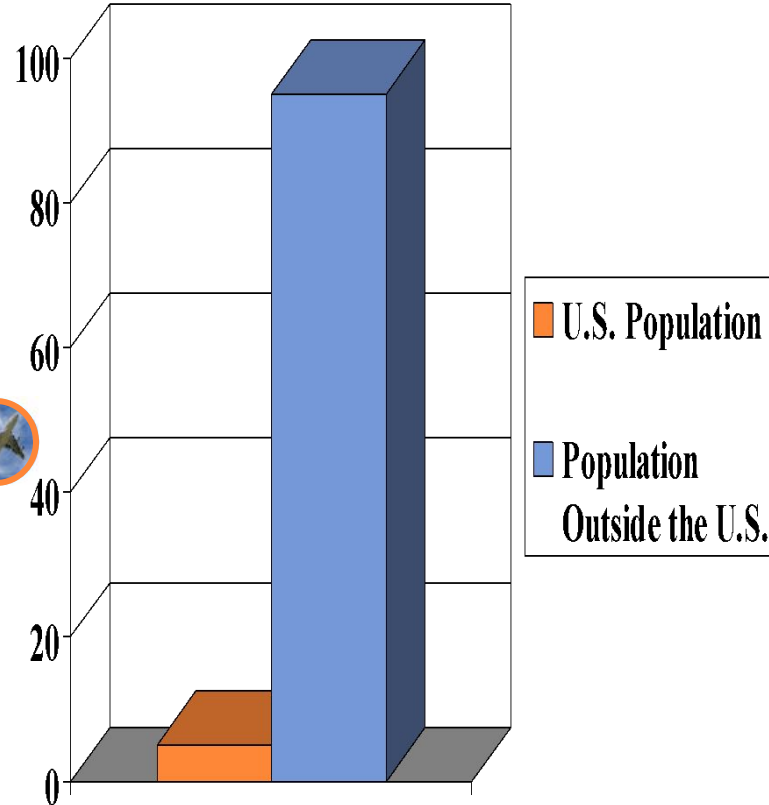
- ✓ Sell to 200 more markets outside the U.S.
- ✓ With 95% of the world's consumers
- ✓ With 2/3 of the world's purchasing power
- ✓ Over \$19 trillion in foreign imports
- ✓ **If you're not exporting, this is what you are forfeiting**

## ❖ Reduce dependency on the U.S. market

- ✓ When the U.S. economy slows, others might be booming
- ✓ When your season ends, others are just starting
- ✓ When your product phases out in U.S., others still want it
- ✓ **Don't idle your capacity, keep it at full capacity**



# Your U.S Market May Seem Large But It's a Small Fraction of the World Market

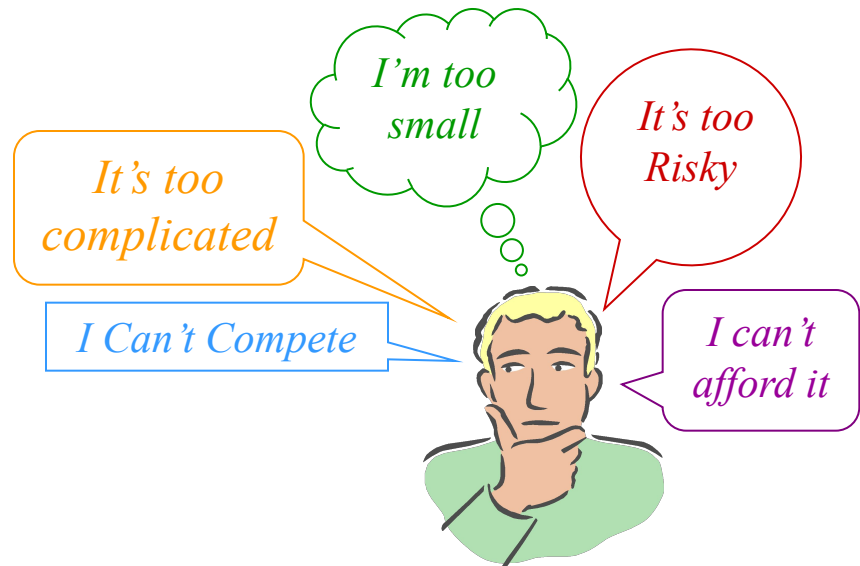


# America's [Unrealized] Export Growth Potential

- ❖ 75% of U.S. manufacturers do **not** export
  - Many make exportable products
- ❖ 60% sell only to Canada and Mexico
  - Many have new-to-market potential
- ❖ Why are 75% of Mfrs selling to only 5% of their potential market?



## Export Myths



# 5 STAGES OF EXPORT DEVELOPMENT

Bring Up Chart

# Role of Export Intermediaries

- ❖ EMC/ETC Responsibilities for their Clients
  - Secure authorization to represent clients
  - Find foreign buyers for clients
  - Research best export markets for clients
  - Develop market entry plans for clients
  - Market & promote clients' products
  - Respond to foreign inquiries/quote prices
  - Negotiate terms of export sale
  - Handle export paperwork
  - Arrange shipping and financing
  
- ❖ Your Compensation as an EMC vs. ETC
  
- ❖ Protect against “end runs” (circumvention)



# Exporting vs. Domestic Sales

## Similarities

- ❖ Same product/service for both
- ❖ Same customer segments for both
- ❖ Complementary seasons for both
- ❖ Same market research sources for both
- ❖ Same distribution channels for both
- ❖ Same base price for both
- ❖ Same promotion methods for both
- ❖ Same inquiry response methods for both
- ❖ Comparable health/safety regs for both
- ❖ Same transport methods for both





# Exporting vs. Domestic Sales Differences

- ❖ Different payment modes/foreign exchange
- ❖ Greater use of agents/distributors
- ❖ More & different paperwork
- ❖ Widely varying laws & business practices
- ❖ Involves customs duties & clearance



# Assessing Export Potential & Readiness

## ❖ How do I know if I have export potential?

- Your product is selling well in the U.S. market
- You have price or other competitive advantages
- U.S. products like yours are already being exported
- Foreign countries are importing products like yours

## ❖ What does it take to be export-ready?

- Learn the basics of exporting – reading, training
- Have adequate resources -- money, inventory, staff
- Have committed managers – patient, willing to spend
- Have sound operating methods – planning, distribution, promotion
- Line up your export support network
- OR, farm out exports to an intermediary (EMC)



# Company Resources for Export

- ❖ Need adequate budget for export initiatives
  - Small budgets can produce export results
  - The more you invest, the greater the return
- ❖ Need adequate inventory to fill orders
  - Idle capacity can be put to export use
  - Pre-export working capital can build inventory
- ❖ Need competent staff for export operations
  - Hire or train
- ❖ Need management commitment throughout



# Export Potential Positives

- ❖ You have strong domestic sales
- ❖ You've had unsolicited foreign inquiries
- ❖ Your product/service is price-competitive domestically
- ❖ Your product/service is somehow "superior"
- ❖ Your transportation costs to destination are not prohibitive
- ❖ You can adapt your product/service to the market



# Export Potential Negatives

- ❖ Product transportation costs are high
- ❖ Product needs on-site user training
- ❖ Product needs extensive on-site service



# Management Commitment

- ❖ Management exports for the “right” reasons
- ❖ Management sees exports as important
- ❖ Management is willing to be patient



# Operating Methods

- ❖ Market research and planning are SOP
- ❖ Company has a sales/distribution network
- ❖ Company markets/promotes its products
- ❖ Workload is delegated and not closely held



# Where Can You Get Export Help

## ❖ Help for new exporters

- SBDCs
- SCORE
- State Export Development Offices

## ❖ Help for export-ready firms

- USEACs
- DECs
- Export Service Providers





# Free & Low-Cost Export Help

## ❖ Free Services

- Export orientations for start-ups
- One-on-one consultations with experts
- Export readiness assessments
- Extensive Web-based trade information

## ❖ Low-Cost Services

- How-to-export workshops
- Workshops on key trade topics
- Help with finding and entering markets
- Help to attend trade shows/find customers
- Help to comply with trade regulations
- Help to finance export sales & get paid
- Help with export transportation & logistics



# Free Web Resources For Exporters

- ❖ International Trade Compliance Institute (ITCI) Website ([www.tradecomplianceinstitute.org](http://www.tradecomplianceinstitute.org)) - One-stop access to extensive information on all aspects of international trade, including Exporting Basics and 1,000s of direct links within the Trade Information Database, Regulatory Database, & Regulatory FAQs Database.
- ❖ USDOC's Export Website ([www.trade.gov](http://www.trade.gov)) - One-stop access to worldwide market research and trade promotion resources for manufactures and services.
- ❖ USDA's FAS Website ([www.fas.usda.gov](http://www.fas.usda.gov)) - One-stop access to USDA's worldwide market research on food and agricultural products.



# Key Contacts

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