Export manual 2009

Export Marketing Planner

A manual on how to enter European markets

CBI
Centre for the Promotion of
Imports from developing countries

Export Marketing Planner

A MANUAL ON HOW TO ENTER EUROPEAN MARKETS

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Preface

This CBI Export Marketing Planner is the successor of the CBI's Export Planner, a long-standing guide for prospective exporters in developing countries that may be considered as the spinal cord of the CBI's integrated export marketing efforts.

The current Export Marketing Planner is different from the previous guide in the sense that it is fully integrated in the CBI's on-line export marketing plan builder, an interactive tool available at the CBI website. The information contained in this manual is included as instruction text in the export marketing plan builder. The CBI export marketing plan builder can be found at www.cbi.eu.

In order to enhance the management support function of this Export Marketing Planner, each chapter has been classified according to the Export Cycle, so as to guide decision makers through the 4 stages of 1) perception and preparation of a strategy of change, 2) research, 3) strategy development, and, finally, 4) operational management.

Each chapter of this Export Marketing Planner also has a 'Fast Learner' section. The aim of these sections is to help you quickly refresh your memory or to update your knowledge related to the issues in the chapter you're working on. Familiarising yourself with Fast Learners will help you feel at home with the export marketing planning work you are about to undertake and enable you to reach a high state of mental concentration on the subject matter.

We eagerly invite you to use this manual in conjunction with the export marketing plan builder and hope it will contribute to your export success. We are confident that the integration of the two tools will serve you better in systematising and streamlining your efforts to open up new markets. We wish you lots of success. Good luck with your endeavours!

Hans Klunder
Managing Director CBI

October 2009

YOUR EXPORT CYCLE: The Perception and Preparation stage

(Chapters 1-2)

1 Introduction, mission statement and business principles

An export marketing plan (EMP) is a very useful tool for newcomers in the arena of internationalisation, as well as for entrepreneurs who already have a market presence in foreign markets. For both types of companies, it is a marketing and management instrument that helps to make sound, logical and fact-based decisions. It is a tool for structuring and systemising your approach of new markets or your expansion efforts in existing markets. As such, it is an integrated part, or extension, of your company's business plan. At the very least it is a tool for fully appropriating opportunities at the lowest possible cost.

When preparing for export, the first thing to do is to put things into perspective and to prepare an introduction that includes a short historic track record and a brief statement on your current position and performance: who you are, what you do (business concept), and the markets you cover. This is what we call the **sense of location**.

Subsequently, you include the company's mission statement, which is like a company charter. The mission statement should summarise your company goals and your company's strategy: where you want to go and how you want to get there. This is what we call the **sense of direction**.

Actually, what we're talking about here is your set of business principles. These principles could be captured in a Code of Conduct for your company. A Code of Conduct can provide an excellent 'business card' your company can use to present itself to potential foreign buyers – many of whom adhere to their own Codes of Conduct. Matching your Code with theirs will help guarantee connectivity between the two firms. You can use the CBI's Code of Conduct Builder to write your own Code of Conduct in a way that ensures the kind of connectivity Western buyers are looking for.

➔ The CBI Code of Conduct Builder can be found at www.cbi.eu.

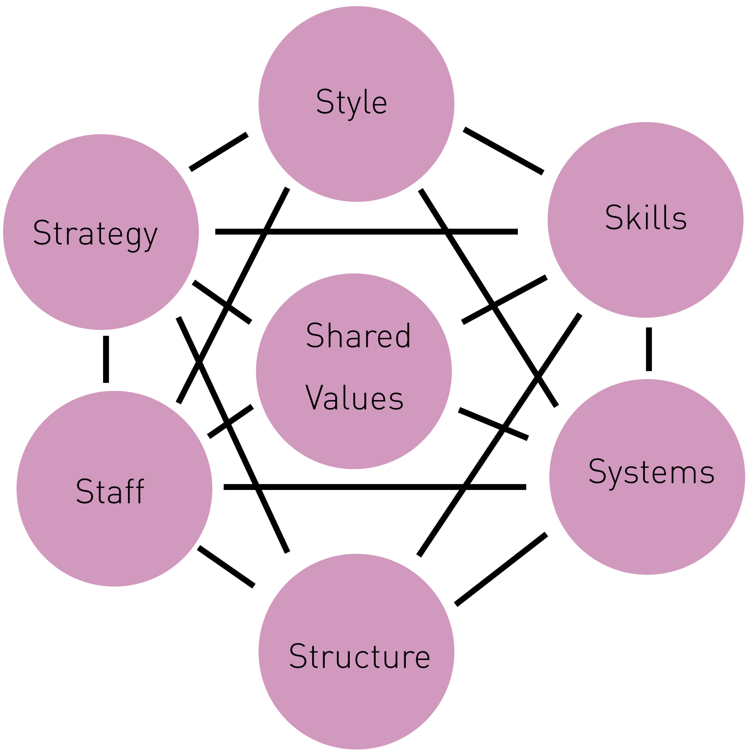
Fast Learner 1

In this Fast Learner section, you will learn how to identify the actions you'll have to take in order to arrive at a State of Export-Readiness.

Developing a Sense of Location

Business is about moving from vision to action in the shortest possible time span. As a manager, you know exactly what it has taken to get your company where it is right now. Your current position is probably the result of many years of hard work, maybe even covering generations. Your company's track record shows disappointments and successes, profits and losses. You're still in the game because of the positive development of your company's own Critical Success Factors (CSFs). These CSFs have to do with the way you have designed your business **strategy**; the way you have set up your organizational **structure**; the way you've organised your production **system**; the way you develop the potential of your **staff**; the way you and your staff apply a "role model" management **style**; the way you maintain, improve and increase your **skills** and those of your staff and workforce; the way you have built **shared values** that guide employees towards valued behaviour.

These factors can be mapped by means of the so-called 7-S management framework developed by the consultancy firm McKinsey: Strategy, Structure, Systems, Staff, Style, Skills & Shared values. The first 3 S's – Strategy, Structure & Systems – are called the hard ones (they are your value chain "capital"), the other 4 are called the soft ones (your social "capital").



The 7-S Framework of McKinsey

Exercise 1

Use the form below, and fill out the first column with the 3 most prominent CSFs of your company for each of the 7 S's. This will give you a good sense of location – "where are we right now" – and it will show you how balanced the allocation of your capital is. Keeping this quick scan in the back of your mind will be a help to you when you're working on your EMP.

Developing a Sense of Direction

Setting off from where you are right now in the direction of where you want to be requires a road map. Determining your destination – or your goals, in business terms – will give you the sense of direction you'll need for designing a strategy. Remember to describe your goals in a SMART way, i.e. make sure they are Specific, Measurable, Achievable, Realistic and Time-led. Only then will you be able to translate your goals into operational activities.

	3 most prominent Critical Success Factors	3 most desired Critical Success Factors	Short term, mid term and long term actions to address the gaps
Strategy			
Structure			
System			
Staff			
Style			
Skills			
Shared values			

Developing a Sense of Direction

Exercise 2

Now in the 2nd column try to write down your company's 3 most desired CSFs for each of the 7 S's. This will give you a good sense of direction – "where we want to be" – and will influence your future allocation of capital. This future-based quick scan will also be of use when you're working on your EMP.

GAP Analysis

If you then compare the 2 columns of 7-S's, you will notice that there are gaps in each area. If we consider our Sense of Location to be our starting point, A, and our Sense of Direction to be our arrival Point, B, the steps to be taken in order to get from A to B are called C. C constitutes our Strategy of How to Get There (to the desired State of Export-Readiness).

✍ Exercise 3

Finally, in the 3rd column, try to write down one short-term (within 1 year), one mid-term (<2 years) and one longer-term action (<3 years) for each of the identified gaps.
There you are: you have now visualised, in a nutshell, the impact of your market expansion strategy on your company, highlighting your resource requirements.
In the next chapters of your EMP we will project this on your company & market audits, market conditions, your export objectives and your market entry strategy in order to arrive at a sound, but achievable strategy implementation.

✓ Fast Learner Pay-off

Doing the above 3 exercises will provide you with a message to communicate to your staff at a very early stage of strategy development. Creating collective ownership in this way – rather than confronting staff with a ready-made blueprint – is the only way to succeed in establishing an "export venture team" and involving staff in the EMP & export-readiness process. By creating involvement, collective responsibility & accountability, the workload of management planning, action planning and budget planning can be shared.

2 Current market position

Having defined your business principles, it is now time for you to describe your company's current market position in more detail. This is the starting point for your future international market expansion. Your baseline. This is important because when you start exploring new international markets, you will be confronted with market access requirements, demands and competition which may have complete different dimensions. Market factors which will challenge the organisation and may require adaptations in the production, marketing and logistics processes. Adaptations, which often require investments. For that matter, it is useful to make an x-ray of your current market position. It will enable you to identify the gap to be closed between the current market position and desired market position. At the same time, it also helps to clarify to what extent your organisation has optimized the opportunities in the current markets.

We recommend to describe the current market position by means of the so-called marketing mix (the 6 Ps).

- **Product** – Elaborate on your present product assortment: what products do you sell, what is their market position, and what competitive alternatives are available in the market?
- **Place** – What is your current market coverage, which distribution channels do you use, and how does this relate to the competition?
- **Price** – What is your pricing policy, to what extent do you apply different pricing from the competition, and how do you apply pricing flexibility in order to promote sales (e.g. discounts, quantity offers, contractual tenders etc.)?
- **Promotion** – Describe the promotional tools you employ, i.e. your promotional mix (advertising, trade fair participation, Direct Marketing, e-Marketing etc.).
- **People** – Describe the company's policy towards social accountability, in terms of occupational health and safety for the workers, and to society as a whole.
- **Planet** – Elaborate on your company's environmental awareness, eco-mindedness and your position on environmental management.

Fast Learner 2

In this Fast Learner section, you will learn what it takes to be successful in international market expansion and to meanwhile positively impact your current market position.

Before starting to plan activities aimed at getting your company into a state of export-readiness, you have to ask yourself some important questions with regard to your position in the home market. For instance, have you been aware of all the opportunities in your market? Perhaps some opportunities were out of reach because you were unable to meet the quality requirements of large local buyers. But preparing for export by means of a cross-company quality drive will undoubtedly open up new opportunities on the domestic market. You should be able to earn back a substantial part of the money you invest in the export preparation process with your current business.

Developing, producing & improving in accordance with international standards is essential to success in the international arena. For instance, it may be advisable to embrace the philosophy of Total Quality Management (TQM) and to embed it in your organisation with ISO 9001:2008 certification. This will launch a process of continuous performance improvement that will help you make sure your company remains the 'best performer, first choice' for any buyer.

If the topics discussed below confront you with gaps in your company's performance, you could include them in the gap analysis you have made in the previous Fast Learner section.

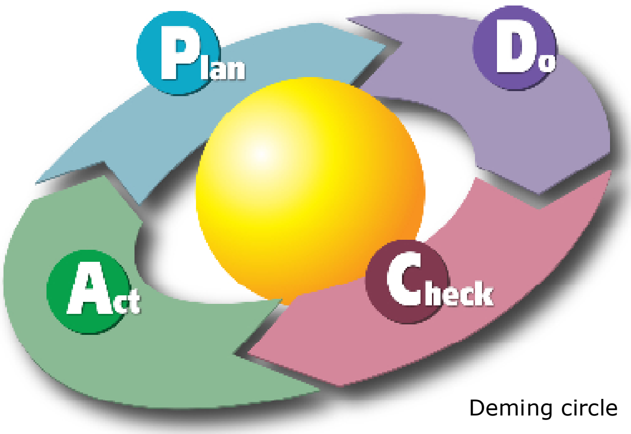
➔ More information on ISO9001:2008 can be found at: www.cbi.eu

Meeting the following 11 conditions will help you lay the foundation of TQM in your company:

1. Know your customers as well as you know yourself; be able to look at your performance through the buyer's eyes.
2. Know your competitors as well as you know yourself; be able to predict their moves.
3. Know the cost of non-conformance (rejects, recalls and order cancellations).
4. Continuously measure your performance against customer-driven parameters by means of a regular customer satisfaction survey (this is an ISO requirement).
5. Make sure that every employee understands the benefits of TQM and is committed to your quality philosophy and goals.
6. Obtain management commitment to Continuous Performance Improvement within the business.
7. Define the purpose of each department and each activity of the company.
8. Enable employees to fulfil their commitment to quality in a quantifiable and rewarding way.
9. Replace inspection techniques for quality assurance by preventive control points.
10. Never accept non-conforming acceptance of the final product.
11. Plan effectively before you act and check at specified intervals to adjust whenever required (based on the Deming circle: Plan, Do, Check, Act)

The road towards TQM status is a long one and each improvement step should be assured by a quality assurance management system. ISO 9001:2008 is a very suitable tool for this purpose.

Once the TQM foundation has been established it is time for your company to start making the transition towards TQM status. According to Deming, this transition requires a roadmap with 14 achievable stages, each of which provides room for your own operational measures.



Deming circle

Towards TQM status in 14 stages:

1. Create consistency of purpose to improve product & services.
2. Accept responsibility to adapt to the new economy that is taking shape during the recovery from the financial crisis and the resulting recession.
3. Stop depending on final inspections to achieve quality.
4. Stop awarding backward & forward business on price alone.
5. Improve the efficiency of the production process, bring down the break-even point by reducing your fixed costs and realise economies of scale in order to decrease variable costs.
6. Always give preference to training-on-the-job.
7. Institute leadership on the shop floor by working with self-steering teams.
8. Eradicate fear and hierarchy as a stimulus to work and replace these with role model behaviour, using the impact of respect based on expertise and reference power.
9. Break down barriers between departments and facilitate cross-department communication and coordination.
10. Eliminate slogans, exhortations and numerical targets for the workforce and include responsibility & accountability in every job description, resulting in task ownership & self-development.
11. Eliminate time-led production quotas and standard & rigid working procedures.
12. Encourage people to be proud of their workmanship.
13. Institute a rigorous education and self-development programme.
14. Involve every employee in the TQM transition process.

Embarking on the road to TQM, adopting the Deming circle approach, and going though the 14 stages outlined above will generally imply adopting a new set of rules, a new management culture, a greater emphasis on human resources. The result will be better products, better services and more satisfied customers. Please note that the TQM guidelines are general by nature: you'll have to find out how to fit them into your style of management and find ways and methods to implement them in your organisation. The ISO quality management instructions can help you with that process.

✍ Exercise 4

We recommend you run the CBI's Rapid Quality Assessment Checker before and after the TQM transition process. You'll be astonished to see what the process has brought your company in qualitative terms. The best thing to do is to have every member of your management team fill in the questions and compare the results.

➔ The CBI Rapid Quality Assessment Checker can be found at www.cbi.eu.

✓ Fast Learner Pay-off

Preparing for export by aiming for TQM will greatly benefit your current market position. In order to retain your customers on the domestic market in the longer term, you will have to invest in TQM anyway!

YOUR EXPORT CYCLE: The Research stage

(Chapters 3-5)

3 Market and industry trends

In the earlier chapters you have gone through the first cycle of your export process: You have formulated a sense of location (where are we now) and a sense of direction (where we want to go and how we want to get there). After you have assessed your current market position and learned how to become a global player using TQM principles, it is time to analyse the trends occurring in your sector and markets of interest. You are now about to start with the second cycle of your export process, which covers the majority of all research work to be done. With all the information and market data gathered in this stage of the export cycle you will be able to apply factual and prudent decision taking regarding the choice of one or two potential export markets.

In this particular section, you will describe important developments – past, present and future – in your current and potential markets. Of course, you can consider trends at a global level, but it makes more sense to be as specific as possible. We recommend a trend analysis at two levels: first, describe the international and European trends you can identify for your industry in generic terms; second, go one level deeper and zoom in on trends you've identified in pre-selected European markets with high potential.

We advise you to bring down the number of potential markets to a maximum of three so-called First Priority Markets. You can do so on the basis of a number of variables.

It makes sense to start with the import growth variable, by singling out the countries that have a relevant market size and favourable import growth.
Next you can consider variables like: favourable trade relations, historical, cultural or geographic characteristics, affinity and proximity, market characteristics, supply chain characteristics, economic, political and technological developments, competitor activity, fashion, innovation, market access regulations and consumer preferences.

Later on, when we're dealing with your market entry strategy, you will be going yet another level deeper to specify your single top-priority market and segment(s) within that market.

➔ To single out first priority markets from among the 27 EU member states, we recommend you make use of the statistical tools of the International Trade Centre (ITC) (www.trademap.org), the CBI's Research Action Planner and the CBI's market information (www.cbi.eu).

Fast Learner 3

In this Fast Learner section you will learn how to identify trend indicators influencing your business and how to develop a Do-It-Yourself ongoing trend watch.

Before identifying potential markets, we need to understand what a market is. Here's a simple definition: "A market is a group of people with similar needs, with money to spend and the willingness to spend that money to satisfy these needs". So in order to identify market trends (and the industry trends that result from them) you have to identify groups of people who demonstrate homogeneous buying behaviour and represent one of your markets. That market is reached by means of a specific value chain that is directly influenced by any changes in the behaviour of the end consumers, or in case of a Business-to-Business market segment, your buyers. Prompt identification of trend changes in your target markets will enable you to embrace the new trends, adapt your products accordingly and adjust your value chain. You will understand that the supplier who acts fastest is most likely to see his market share grow.

The easiest way to identify trends is to use the 6 instruments of the Marketing Mix: Product, Price, Place, Promotion, People, Planet.

- **Product**: Look for trends that influence the physical properties of your product. These can be colour, smell, sensorial properties, health properties, design & customisation, size, volume, weight, function, capacity, usage, convenience and packaging.

- **Price**: You may notice trends towards the low end of the market or, reversely, the high end of the market, or a trend towards continuous action pricing or quantity discount.

- **Place**: Place trends may include the trend towards a shorter or longer distribution chain, or towards a different or completely new distribution chain. In-chain availability or a certain lead-time if you're producing on order may also be a trend. The adjustment of delivery times, upward or downward, may also be a trend. Other place-related trends include the rise of e-commerce, e-markets and webshops and the impact these may have on your distribution model.

- **Promotion**: Typical promotion trends are those towards experience and emotion marketing and their impact on promotional campaigns. The shift from off-line promotion to on-line promotion, as well as search engine optimisation and search engine advertising are also a trend worth watching, like the shift from broadcasting to point-casting, or the use of social networks, the shift from theme promotion to action promotion, or vice versa. Shifts in communication tools, brands, images, target groups & positioning can also be influential, or shifts from product branding to company branding.

- **People**: Ageing societies and the trend towards health & nutrition claims are typical people-related developments. Other examples are trends towards explicit stakeholder issues, occupational health and safety, social welfare and community services, transparent responsibility & accountability, corporate social responsibility (CSR) and the growing market share of fair trade products.

- **Planet**: Planet-related trends have to do with issues like natural origins & linkage, energy efficiency & economy, recyclability, chains of custody. Sponsorships are also worth noting, as are environmental management and investing. Sustainability and accountability are also key trends.

✍ *Exercise 5*

Try to identify a shortlist of First Priority Markets in the EU with the help of the CBI's market information and the ITC's statistical tools. Next, get a team together to brainstorm on which trends are likely to occur in those short-listed countries in the near future. There are different ways of going about this: organise an out-of-the-box brainstorming exercise, a brown paper exercise (more often a 'Post-it' exercise nowadays, in which participants stick yellow papers on the wall...). Finally, analyse the possible impact of those trends on the various elements of the marketing mix and on the value chain.
Do this annually, and you will have introduced your own Do-it-Yourself Trend Watch!

✓ Fast Learner Pay-off

Prompt and ongoing detection of trend shifts and early adaptation of your marketing mix will make you a business trend setter rather than a follower. The pay-off in terms of market share, time to market and brand and company awareness will be immediate.

4 Export audit

4.1 Company audit

Now that you have conducted your trend analysis and made a preliminary shortlist of priority markets, it's time to audit your company in relation to market developments and trends and competitor activity by performing a so-called export audit.

In making your company audit, you will visualize & analyze the relevant internal elements that will impact on the outcome of your market research findings. You as entrepreneur are in control of all these elements and you are able to adapt and improve their intrinsic quality according to the market trends, requirements and forecasts in your short-listed priority markets.

To conduct an export audit, we recommend you use the SWOT methodology, in which the Strength and Weakness analysis covers your company environment, while the Opportunities and Threats analysis covers your market environment.

In order to help you organise a SWOT analysis, we will also introduce the value chain analysis and the 5M method; in the Fast Learner section we'll explain in detail how these two can be used within the framework of a SWOT analysis.

The company audit, a self-assessment of your company's Strengths and Weaknesses, is very similar to the so-called supplier quality assessments performed by buyers. A key characteristic of the company audit is that the elements covered are all controllable by your company management.

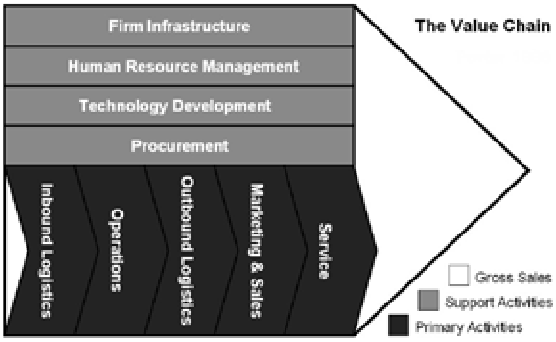
In this stage, you are to describe the Strengths and Weaknesses of your company in relation to your expansion strategy. You can audit your company on the basis of the 5Ms (see format): Men, Means (resources), Methods (management), Machines, and Measurables (marketing impact, customer and employee satisfaction, qualitative certifications).

	Strengths	**Weaknesses**
Men		
Means		
Methods		
Machines		
Measurables		

Format for Strength and Weakness analysis using the 5M methodology

Take into consideration that in the international markets an increasing emphasis on quality management requires companies to emphasise process performance (methods) and to strive towards continuous performance improvement (measurables). Take these issues into consideration in your company audit!

Alternatively, or in combination with the 5M method, you can use the Value Chain Analysis. The value chain categorises the generic value-adding activities of an organisation. The "primary activities" include: inbound logistics, operations (production), outbound logistics, marketing & sales (demand), and services (maintenance). The "support activities" include: administrative infrastructure management, human resource management, technology (R&D), and procurement.



You can rate the primary and support activities of your company as either Strong Or Weak by applying a matrix structure in the Value Chain Diagram. In this way, you can rate every support activity in its relation to every primary activity (see format).

Format for Strength and Weakness analysis using the Value Chain diagram

Firm infra-structure					
Human Resource Management					
Technology					
Procurement					
Main activities					
	Inbound logistics	**Operations**	**Outbound logistics**	**Marketing & Sales**	**Service**

4.2 Market audit

The market audit is an external analysis of the Opportunities and Threats in your market. A key characteristic of the market audit is that the aspects covered are market conditions which are uncontrollable by your company management.

In conducting your market audit, you will visualize and analyze the relevant external elements that will impact on the outcome of all your research findings, generated during this second cycle of the export process. The character of all these elements is that they are beyond your control. You can not influence them. The market dictates the rules of the global play you are about to enter. The key question here is: Can you deal with the market trends? Do the trends offer you chances or challenges for export success? Together with the competitor analysis, it will determine your decision making for final market selection and market entry strategy.

In this stage, you are to describe the Opportunities and Threats occurring in the current and target export markets you short-listed in your trend analysis.

You can make use of the STEEP methodology, identifying opportunities and threats related to **S**ocio-cultural factors, **T**echnological factors (barriers), **E**conomic factors, **E**nvironmental factors and **P**olitical factors related to trade.

	Opportunities	Threats
Socio-cultural		
Technological		
Economic		
Environmental		
Political		

Format for Opportunities and Threats analysis using the STEEP methodology

➔ For more background information on market auditing in the export planning process, check the CBI manual on market research, and also look at our interactive Research Action Planner (RAP) at www.cbi.eu. The RAP follows every step in the EMP and provides useful tips for conducting your market audit.

4.3 SWOT conclusions

Ideally, the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis you carry out as part of your export audit will bring to light numerous opportunities that match your company strengths. However, in reality, there will most likely also be threats corresponding to weaknesses in your company.

The main challenge here lies in addressing the weaknesses and transforming them into strengths, while optimising the impact of your strengths to tap identified market opportunities. Remember that a threat is considered a threat because your company, in its current position, is unable to deal with it. It has an associated weakness. If the weakness is transformed into a strength, the threat will disappear (or may even become an opportunity).

The opportunities and threats you identify should be considered drivers for company adaptation and improvement. It is important to realise that market conditions can not be changed and thus have a strong influence on the market entry direction your company will have to take. Remember that your strengths and weaknesses are controllable, whereas the opportunities and threats are given market conditions that you can not influence.

Once you have completed the SWOT you should be able to make the final decision to export or not. You will have to balance the strong points and opportunities against the weak points and the threats. You should consider the fact that exporting will put an extra strain on all people and other corporate resources. The main question will be: do you think the organisation is strong enough to cope with the extra challenge and workload of the exporting venture? If you are convinced that your organisation is ready for the Big Jump, then go ahead. The next step will be to focus on your immediate and potential competition. Get ready to take them on!

4.4 Competitor analysis

Now that you have conducted your own SWOT analysis, try to identify the main competitors in the target markets. What are their strengths and weaknesses? Which strategic moves are they likely to make in response to the opportunities and threats presented by the market? Remember that the opportunities and threats are not only drivers for your own company performance, but will also direct the other players and possible new market entrants.

To identify competitors, you can use Porter's competitive forces model, which includes three forces of 'horizontal' competition: the threat of substitute products, the threat of established rivals, and the threat of new entrants.

Threat of substitute products	The availability of close substitute products will increase the propensity of customers to switch to alternatives in response to price increases (high elasticity of demand). Factors that determine the threat of substitute products: ➔buyer propensity to substitute ➔relative price performance of substitutes ➔buyer switching costs ➔perceived level of product differentiation
Threat of entry of new competitors	Profitable markets that yield high returns will draw new entrants, effectively decreasing profitability. Unless the entry of new firms can be blocked by incumbents, the profit rate will fall to a competitive level (perfect competition). Factors that determine the threat of entry of new competitors: ➔the presence of entry barriers ➔economies of product differences ➔brand equity ➔switching costs or sunk costs ➔capital requirements ➔access to distribution ➔absolute cost advantages ➔learning curve advantages ➔expected retaliation by incumbents ➔government policies
The intensity of competitive rivalry	For most industries, this is the major competitiveness determinant. Sometimes rivals compete aggressively on price, sometimes rivals compete in non-price dimensions such as innovation and marketing. Factors that determine the intensity of competitive rivalry: ➔number of competitors ➔industry growth rate ➔intermittent industry overcapacity ➔diversity of competitors ➔level of advertising expenses ➔economies of scale

➔ For more information on performing a competitor analysis for a specific sector, check the CBI market information at www.cbi.eu.

Fast Learner 4

In this Fast Learner section you will learn how to integrate the points of attention of a Supplier Quality Assessment (common practice among EU buyers) in your Company Audit. You can also apply the "7S"model (see Chapter 1 / Fast Learner 1). On completing the Market Audit, you will become familiar with the standard layout of a market profile as used by researchers: a market can be profiled in a structural way according to the STEEP methodology. STEEP stands for Socio-cultural, Technological, Economic, Environmental and Political factors.

If you decide to perform a SWOT analysis, you should realise that it consists of 2 audits: first, the company audit, covering issues that are fully under your control; second, the market audit, which looks at issues completely beyond your control. Therefore, in concluding your SWOT analysis, you are to **ADOPT** the external circumstances as analysed in the market audit, and **ADAPT** the controllables brought to light in your company audit. This will enable you gain maximum benefit from market opportunities and to reduce your exposure to market threats, and to **IMPROVE** your chances of success on entering a new market.

Divide your organisation into 3 main pillars (management & organisation, factory and marketing, sales and customer service), and you will recognise immediately which of these pillars will require most of your attention as you prepare for export. As you will have noticed, the 3 pillars are related to the following clustered Value Chain Activities:

a) Firm infrastructure and human resource management;
b) Inbound logistics, operations, and outbound logistics; and
c) Marketing, sales and services.

Another advantage of the use of integrated management models in your company audit is the fact that it will enable you to evaluate your competitors in exactly the same way, thus benchmarking for your competitive advantage or your competitive gap.

In conducting your market audit, you may find it useful to differentiate between market development factors and market access and buyer requirement factors. The STEEP methodology can be applied to the market development factors.

Exercise 6

Fill out the forms below and indicate in which areas of the company audit you identify strengths and weaknesses and in which areas of the market audit you identify opportunities or threats.

SWOT: YOUR COMPANY AUDIT		S	W
1. YOUR MANAGEMENT & ORGANISATION			
VALUE CHAIN: FIRM INFRASTRUCTURE & HRM			
STRATEGY	Are you able to set goals that are "SMART"		
STRUCTURE	Do you have a target-led organisation with accountabilities?		
SYSTEMS	Do you have documented & traceable working procedures & job descriptions?		
STAFF	Do you have well-educated & trained staff with delegated responsibilities?		
STYLE	Do you apply role model behaviour, respect, trust, expertise and attitude rewards?		
SKILLS	Do you have high technical skills, management skills, social skills, international language skills (English)?		
SHARED VALUES	Do you have a company culture based on customer orientation, professionalism, ethical behaviour, co-operation and social accountability?		
2. YOUR FACTORY			
VALUE CHAIN: OPERATIONS, INBOUND & OUTBOUND LOGISTICS			
MEN	What is the capacity, capability level, loyalty, commitment, willingness to learn?		
MEANS	Do you have sufficient cash, credits, raw materials, stock levels, designs, patents, packaging material?		
METHODS	Do you have documented process descriptions, manuals, efficiency, flexibility, quality improvement programmes, freight optimisation schemes?		
MACHINES	What is the maintenance level, reliability, and to what extent are your machines technically up-to-date?		
MEASURABLES	Do you apply all relevant production benchmarks, measuring sustainable output?		
3. YOUR MARKETING, SALES AND CUSTOMER SERVICE			
VALUE CHAIN: MARKETING, SALES AND SERVICE			
PRODUCT RESEARCH & DEVELOPMENT	Can and does your company effectively innovate and adapt to changing market requirements?		
PRICE LEVEL & SALES	What is your break-even level, how good are your common margins, do you apply direct costing, do you provide quantity discounts?		
DISTRIBUTION	Do you have loyal distribution channels, are you capable of providing export packaging, are you familiar with optimising container stowage, documentation, clearing, shipping?		
PROMOTION	Do you have an interactive and up-to-date website, do you apply on-line promotion, email marketing and search engine optimisation techniques, do you have a virtual showroom, do you attend international trade shows, do you apply international advertising campaigns, do you have trade documentation and promotional kits?		
COMMUNICATION	Do you have a cost-effective international telephone connection (VOIP), do you use chat and email functions, do you have regular face-to-face meetings with your customers?		
CUSTOMER SERVICE	Do you pro-actively monitor customer satisfaction, do you have an on-line customer feedback facility, do you have loyalty programmes, is customer relationship management an integral part of your management programme?		

SWOT: YOUR EU MARKET AUDIT		O	T
MARKET DEVELOPMENT FACTORS			
SOCIO-CULTURAL FACTORS	Do you have market affinity, understanding of the target market, understanding of the socio-cultural segments, understanding of niche markets like fair trade, and can you meet the socio-cultural demand (segment) characteristics?		
TECHNOLOGICAL FACTORS	Can you meet the high quality, innovation-driven market & immediate fashion challenges?		
ECONOMIC FACTORS	Do your target markets guarantee sustainable demand & growth, do you know the competitors in the segments you're targeting and can you meet their value propositions?		
ENVIRONMENTAL FACTORS	Are you aware of and can you adequately respond to rising concerns for the environment, nature and the climate, and the subsequent demand for compliance to international standards and labels?		
POLITICAL TRADE FACTORS	Are there preferential trade agreements, favourable import conditions & trade goodwill you should be aware of?		
MARKET ACCESS FACTORS AND BUYER REQUIREMENTS			
PRODUCT LIABILITY & GUARANTEE	Are you aware of EU product liability legislation and the implications for importers and their suppliers?		
INTELLECTUAL PROPERTY RIGHTS	Are you aware of – and will you respect – existing patents, brand marks & names in the EU target markets?		
CONTRACTUAL RIGHTS	Are you aware of – and do you respect – the legal clauses of standard international agreements for the sale of goods and services, as administered by the International Chamber of Commerce, the arbitration body in international disputes?		
LEGAL COMPLIANCE & BUSINESS INTEGRITY	Are you aware of – and do you comply with – buyers' codes of conduct & purchasing conditions?		
QUALITY & CONSUMER SAFETY	Are you aware of – and do you comply with – Good (Agricultural or Manufacturing) Practice requirements (GAP or GMP), traceability requirements, product safety standards, European Conformity (CE marking), technical norms, and, if you work with chemicals, REACH requirements?		
HEALTH & SAFETY AT THE WORK PLACE	Do you have a policy and programmes in place for a safe and healthy labour environment?		
LABOUR STANDARDS & HUMAN RIGHTS	Do you adhere to the ILO conventions on labour standards and human rights?		
ENVIRONMENT MANAGEMENT IN AND AROUND THE FACTORY	Do you have an environmental policy and programmes in place?		
TECHNICAL CAPABILITY FOR EFFICIENT AND SUSTAINABLE OUTPUT	Can you guarantee a high order reliability leading to high vendor ratings?		

Note: The above form lists the most important Market Access Requirements, but please note that there may be additional, sector-specific issues to be taken into account.

✓ Fast Learner Pay-off

By using standardised performance benchmarks in your SWOT, the whole exercise could be regarded as a periodical quick scan for measuring compliance with buyer requirements and ... for measuring competitive advantage!

5 Market assumptions

You have arrived at an intermediate point now: in between the research & analysis phase and the strategic planning phase. Before you formulate your SMART objectives and define a strategy for realising those objectives, it makes sense to consider what assumptions lie at the basis of your strategy.

Making assumptions, forces you to understand and appreciate that the market research synthesis is not rigid but ever-changing. This reality forces you all the time to monitor, to manage and to adapt to market developments. With regard to your export process, this second research cycle never stops: actually it should be a continuously rotating business process.

This input of assumptions is another important gauge on your dashboard, as changing assumptions may impact the effectiveness of your strategy, forcing you to change your plans and budgets. The more realistic your assumptions, the more accurate your planning and budgeting will be.

Describe the underlying assumptions that may impact your plan. Relate these assumptions, for example, to the economy (slow or fast economic growth), your distribution pattern, your product (life cycle) development, technological and regulatory developments, the stability or dynamism in your target markets, or your company's financial situation (e.g. cash flow).

Fast Learner 5

Working with "guesstimates": in this Fast Learner section you will learn to motivate your decision to enter a foreign market with the use of realistic predictions of market prospects.

Making market assumptions will make the quality of your earlier research visible. Don´t forget, however, that the outcome of your research presents a picture of a limited period in time and thus carries an "expiry date" (i.e. a planning horizon of one year). This creates a challenge if you´re looking for convincing arguments to support a market penetration or expansion strategy, which is directed at increasing the company's competitiveness in the longer term. Since the planning horizon for your internationalisation far exceeds the expiry date of your research, you have no choice but to assume enabling factors to facilitate progress on your road map to successful market entry.

Exercise 7

Now let's try to classify the business issues for which you need assumptions.

1. **Market prospects:** These assumptions show how the market will develop if there are predictable changes in the present situation, as shown by your research. Factors influencing your prospects for successful market entry include the level of market growth or saturation, or even market shrinkage, the phase of the product life cycle, developments in consumer growth and the development of cost prices. Consider all of these with your present and future product offer and value proposition in mind.

Assumptions on market prospects	....

2. **Strategic resistance:** Next, try to estimate the amount of effort it will take you to enter the market and gain and sustain a reasonable position. This depends on medium and longer term developments in the market structure, the supply/demand relationship, the intensity of the competition, the extent and aggressiveness of advertising and sales promotion, fluctuations in purchasing power, demand, supply and prices, and the amount of funds necessary for adaptive or even innovative product development.

Assumptions on strategic resistance	....

3. **Sensitivity to external developments:** Social, technological economic, environmental, and political developments can cause changes in your market prospects. They may force you to deviate from your prognosis, or cause opportunities and threats, risk levels and flexibility requirements to change.

Assumptions on sensitivity to external developments	....

The results of the above mentioned "what ifs" could lead to a series of business scenarios that will help you to take on a pro-active approach to decision-making. From an investment point of view, you are not 'putting all your eggs in one basket'. Sound market assumptions will enable you to attune your market investments to the expected yields at all times, clearly increasing your company's durability!

Exercise 8

Checklist: using your assumptions

Once you've succeeded in listing your market assumptions and have measured your strategic resistance and sensitivity to external developments, you should be able to complete the following checklist (1st question filled in as an example only):

	ENTRY PHASE	MEDIUM TERM	LONG TERM	STRATEGIC RESISTANCE	SENSITIVITY TO EXTERNAL DEVELOPMENTS
1. Will there be a sustainable market for your product offer?	Niche only	Several segments	Concentration on 1 segment	Niche as defensive stronghold	Local "me-too" reactions
2. Will this market become substantial from your point of view?					
3. Is this market profitable for you in the short, medium and longer term?					
4. Will your product offer satisfy identifiable needs (remember the definition of a market)?					
5. Will your offer be looked upon as a novelty, both by traders and end consumer?					
6. Is the market evenly distributed in all segments or do you expect the development of higher demand in some segments or even only in niches (i.e. market location & concentration)?					
7. Is the target group geared towards and willing to spend money on your product offer and how much, now and later?					
8. Through which communication mix (media and/or promotion) can your prospective customers best be reached?					

The acid test

Entrepreneurs tend to be optimistic in their market assumptions. "The sky is the limit" is a popular statement.

In order to make sure you keep both feet on the ground and succeed in translating optimism into realism, we recommend you base your assumptions on traceable facts and figures.

Planning, research and the intelligent, flexible use of data are essential components of successful market entry. So, why not benefit from the wealth of economic outlook data that can be found on the Internet? If your feelings and assumptions are correct, this will offer a clear confirmation, providing you with traceable and re-usable sources. Last but not least, never ignore fresh data that contradict your current assumptions!

Sources for macro-economic data, trends and forecasts
Eurostat: European economic developments and forecasts
http://epp.eurostat.ec.europa.eu
Economist: International economic and financial indicators and trends
http://www.economist.com/markets/indicators/
IMF: World economic outlook and Regional economic outlook
http://www.imf.org

Sources for global consumer trends and forecasts
Trendwatching: Emerging macro trends influencing consumer behaviour around the globe http://www.trendwatching.com/

Sources for sector specific data, trends and forecasts
CBI's market information: Developments and trends specified per sector
http://www.cbi.eu
Industry associations and Vertical portals: Trends and forecasts specified per sector For details of industry associations and vertical portals per sector, see CBI's manual 'digging for gold' at http://www.cbi.eu

✓ Fast Learner Pay-off

By working with 'guesstimates' and benchmarking them by means of Internet sources, you will be able to continuously monitor your strategic resistance and sensitivity to market developments by means of "what if " scenarios. You can use your findings & conclusions to update & upgrade your SWOT. Remember, changing assumptions may necessitate you to change your strategy and plans. This is the Deming circle in full operation: Plan, Do, Check, Act!

YOUR EXPORT CYCLE:
The Strategy stage

(Chapters 6-7)

6 Export objectives

The formulation of export objectives marks the start of the third stage of your export process: The strategy stage. This stage is meant to provide you with a sense of direction: the needle of your business compass should be steadily pointing towards your future business activities, eliminating doubts and second thoughts and enabling a clear view of the tasks and challenges that lay ahead.

Based on the market conditions and developments you have analyzed and your company's state of export readiness, you have now arrived at the stage to define into detail what you want to achieve, where, when and how.

In other words, based on the outcome of the audit, you should be able to formulate sound objectives. These objectives should provide the building blocks for your company's targets. Therefore they should be SMART: Specific, Measurable, Achievable, Realistic and Time-led.

- **Specific:** your product(s) and market(s) should be specified.
- **Measurable:** your objectives should be quantitative, expressed in terms of sales value, sales growth, market share, number of customers etc.
- **Achievable:** your objectives should be based on your company's strengths and its critical success factors (the internal potential) and market opportunities (external potential).
- **Realistic:** your objectives should be realistic in the sense that the required investments remain in proportion to expected gains.
- **Time-led:** set a specific period within which your objectives are to be achieved.

It is advisable to formulate short-term, mid-term and long-term objectives.

Fast Learner 6

In this Fast Learner section you will learn how to select export objectives that are in direct relation to your company resources.

"Your objectives must be hammered out on the anvil of your resources". This saying underlines, once again, the fact that the means required to realise your objectives (i.e. the human, technical and financial capital of your company) must always be related to the expected gains. If you're a beginning exporter, this means you must focus on step-by-step learning instead of trying to establish a substantial & profitable market share right from the start with the risk of bleeding your company dry. By applying a system of Continuous Performance Improvement and feeding it with the lessons learned in foreign markets, you will get where you want to be in the mid-term. In the meantime, you will also benefit from the "spin-off" effect: the lessons learned abroad will immediately have a positive profit impact on your domestic market share, generating further resources for sustainable export development. This means that by prudently controlling your company's experience curve – closing a gap before you move on to the next one – you will never be forced to abandon the export venture. And a sustainable market presence abroad, regardless of its extent, is exactly what will win buyer confidence!

✍ Exercise 9

Setting your export objectives

In order to set the right objectives, you should be able to complete the following SMART check list (1st objective filled in as an example only). You will notice that we have changed Achievable in the SMART formula to Accountable, underlining the importance of the establishment of a multidisciplinary Export Taskforce within your company. Please insert your own objectives and try to decompile them as much as is possible. After that, test whether these objectives meet the SMART criteria by trying to clearly put into words the SMART criteria of each objective. If you fail to for one of your objectives, replace it by another one.

EXPORT OBJECTIVES	Specific	Measurable	Accountable	Realistic	Time-led
Establish an effective and efficient Market Information System	Develop web-based EU country profiles, based on STEEP. Focus on priority markets with the highest potential	Must contribute to continuous updating of SWOT. Must bring quantifiable market assumptions within reach. At reasonable costs	Marketing manager	Make use of existing sources, like: • Eurostat • Economist • IMF • CBI market information • ITC •TradeMap • Trade promotion institutes • Sector associations • Vertical Portals	First overview per September, followed by updates every 3 months.
Achieve Export Readiness (using Value Chain components) **• Inbound logistics** **• Operations** **• Outbound logistics** **• Marketing & Sales** **• Service** **• Firm infrastructure** **• Human Resource Management** **• Technology development** **• Procurement**					
Implement a cost reduction programme					
Comply with EU market access requirements					
Establish TQM					
Enter 1 first priority market successfully					
....					

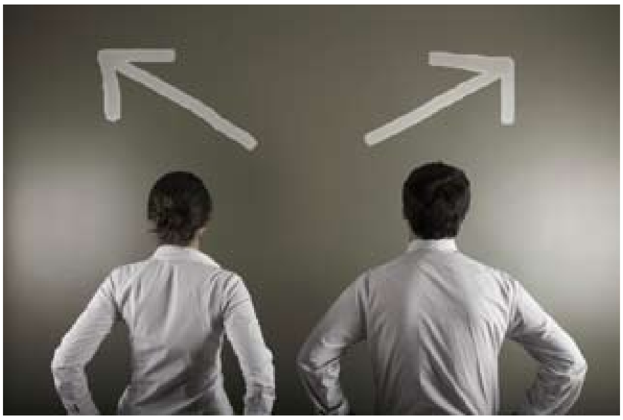
✓ Fast Learner Pay-off

By benchmarking your export objectives on the SMART criteria, you can be sure of their relevance and quality. Moreover, the resulting table can easily be merged into your Export Action Plan.

7 Market entry strategy

7.1 Summary

Strategy is all about developing a sense of direction for your company. On the basis of the conclusions of your export audit and competitor analysis, you are now able to develop a strategy for realising your objectives.



This stage involves determining your market (segments), choosing the most suitable distribution channels, and selecting the right trade partners. Appropriate positioning should offer you the competitive edge you need vis-à-vis the competition, so as to outperform them on the basis of customer value.

It will require your utmost attention and creativity. Gaining market share in the highly competitive EU markets is not an easy task. It will demand the best of your abilities. You will have to design a balanced strategy built around a sound marketing mix. It implies that all marketing instruments and tools will be tailored and tuned to one another to make one consistent and coherent strategy. In the paragraphs below, we will take you through the different steps.

Fast Learner 7

In this Fast Learner section you will learn how to define and develop a market entry strategy that reflects your analysis of market potential, your company's critical success factors and resources, and the degree of marketing involvement and commitment that you are prepared to put up.

In the market entry strategy you decide on your top-priority market, the segment of that market on which you will concentrate your efforts, and the down-stream supply chain you consider to be the most reliable & efficient one for reaching your target group. Your level of marketing involvement will determine the length of your value chain.

To avoid confusion, let's briefly look at the difference between a supply chain and a value chain, as both chains are indicators of the evolutionary stages an exporting company must pass through to become an international marketing company. Please note that in discussing the supply chain, we are referring particularly to the downstream supply chain (from you to the market).

Your downstream **supply chain** starts when you transfer the ownership of your products to a third party that is one distribution step closer to the final buyer. In effect, you're using the supply chain to outsource trade activities to specialists in order to reduce risk but also to reduce your own marketing involvement. This approach creates a high degree of dependency and a low degree of goodwill. You simply will not know where your products end up most of the time.

Your **value chain** starts when you become the owner of the raw materials and (semi-finished) components needed to start the manufacturing process in your factory and it stops when you have received user satisfaction feedback after transferring the ownership of goods.

The fascinating fact is that over time, exporters' supply chains tend to become shorter, as they cut out functional middle men and operational services for which they have developed skills themselves. By contrast, value chains tend to grow, as you evolve from being an exporter to an international marketer. After all, if your market share becomes substantial and competition more intense you will have to increase your marketing involvement in order to assure sustainable growth. Also, you will have to increase the added value of your product to ensure user loyalty.

How does all of this affect the market entry strategy of a beginning exporter? Let's illustrate this with a stereotypical example.

PIONEER PHASE (1 to 2 years)	As most beginning exporters lack international marketing experience, resources and business volume, they are advised to minimise trade risks as long as they are learning. For instance, they might select a stock-keeping importer and sign a distribution agreement of limited duration with him (say, 2 years). **Supply Chain:** Maximum length, extending from exporter via wholesalers to retailers. Low risk and low marketing involvement. **Value Chain:** Minimum length, stopping at shipment of containers. Low export value, low value-addition, no value retention.
MARKET DEVELOPMENT PHASE (years 3, 4 & 5)	Increasing market volume and market intelligence leads to higher marketing involvement. In consultation with the importer, the exporter may now undertake marketing efforts directed at the Large Scale Retailers and co-finance in-market stocks, while selecting new importers on other EU markets. **Supply Chain:** Shortened, because of increased business volume; the role of wholesalers gets taken over by a joint venture between exporter and importer. Direct sales to large-scale retail chains with private label. Medium high (shared) trading risk & increased marketing involvement. **Value Chain:** Stops at shipment to retailers. Higher export value, tailored value addition and improved value retention because of increase of goodwill.
INTERNATIONAL MARKETING PHASE (year 6 and onwards)	The joint venture has become a European distribution hub with full marketing involvement and reduced trading risk due to pro-active market control, market distribution & market goodwill. Development of own retail chains with franchising & web shop formula. **Supply Chain:** Does not exist anymore, all distribution activities in-company. **Value Chain:** Stops at final customer/consumer. High value, successful value addition, high value retention and direct channel management.

✓ Fast Learner Pay-off

By selecting a long supply chain and a short value chain for market entry, you can set off a learning process at low risk and low capability claim. By aiming at the gradual reduction of the supply chain and the carefully tuned extension of the value chain in the medium and longer term, you can follow a critical path towards sustainable market development & expansion at affordable risk.

7.2 Markets and segments

Earlier, in chapter 3, we described how you can arrive at a short-list of three priority markets on which to focus your market entry or market expansion efforts. You can do so by identifying:

- promising consumption levels;
- import growth patterns;
- trade relations;
- market access requirements;
- geographical and cultural proximity;
- economic, political and technological developments;
- competitor activity;
- market and supply chain characteristics.

At this point it is time to go one step further and to decide on priorities and segments within these priority markets. Which of the priority markets will be the first-priority market, and which will be second and third? In the process of making this decision, you will have to consider which segments are particularly attractive to you and why. Don't just look at the aforementioned criteria, such as market growth, competitor activity and so on, but also at specific segments and niches (smaller parts of a segment, with even more typical characteristics) and the developments within those segments and niches.

➔ For more information on detailed research steps aimed at selecting priority markets and segments, please refer to the CBI's interactive Research Action Planner at www.cbi.eu

Fast Learner 8

In this Fast Learner section you will learn how to identify & select attractive segments in the target market you have decided to zoom in on.

The earlier Fast Learner sections have equipped you to select your First Priority Markets. The table of Market Assumptions, particularly, should present a very promising overview. A quick SWOT analysis of your priority markets will bring to light a lot of Opportunities that your Strengths should enable you to benefit from. Keeping in mind the learning process you are about to embark on, we recommend you start in one priority country first. As the English say, "Don't bite off more than you can chew". Also, experience shows it is best to start with an indirect market approach, i.e. with the intermediation of an importing distributor – or, in other words, a long supply chain and short value chain.

Before rushing ahead to search for a suitable trade partner in your top-priority market, it is important to identify the right market segment or even market niche. By focussing on a segment, you can position yourself as close as possible your end customers, which means you will be able to target the buyers most in need of your product as effectively as possible. By then tracing the supply chain backwards, you will be able to select the trade partner with the most complementarities and synergy for sustainable market development.

A **market segment** represents a cluster of people or organisations sharing one or more characteristics that cause them to have similar product and/or service needs. A true market segment is distinct from other segments.

Step 1 Selecting variables for segment identification

Variables used for segmentation are:

- Geographic variables (e.g. region, country, urban or rural, climate zone);
- Demographic variables (e.g. age, gender, family size, income level, education level, nationality, religion);
- Psychographic variables (e.g. lifestyle, personality);
- Behavioural variables (e.g. benefit sought, product usage, brand loyalty, readiness to buy, decision-making unit);
- Functional variables (e.g. industrial use, consumer use).

Step 2 Verifying the segment characteristics

Once you have identified a segment by using one or more of the above variables, check whether this cluster meets all of the following requirements:

- the segment should be entirely homogeneous in itself;
- the segment should be heterogeneous vis-à-vis other segments;
- the segment should be clearly identifiable and measurable;
- the segment should be stable over time;
- the segment should be accessible and actionable;
- the segment should be small enough to be controllable and large enough to be profitable.

Step 3 Upstream backtracking to find your trade partner

- In which outlet(s) is your target segment buying your type of product?
- Who supplies these outlets?
- Which distributor provides the best complementarities and synergy?
- Is it safe to assume you can develop your market with this distributor?

✓ Fast Learner Pay-off

By focusing on segmentation during your market entry preparation, you may be able to identify several relevant segments, enabling you to follow a multi-channel marketing approach through product differentiation and positioning, without the risk of trade conflicts. This will help you spread your risks and steepen your experience curve.

7.3 Positioning strategy

Based on a clear understanding of the customer needs in your defined target markets, you have to clarify now how your business offering will meet the perceived customer needs. This means you have to think 'outside-in': to adopt a market-led approach instead of a product-led approach. You will have to identify opportunities in market positions first and only then decide how you can position a certain product (range), with or without product or price adaptation. The resulting product/market mix should include what you sell, at what price, where you will sell it and how you intend to sell it. You should also be able to answer the question as to how your own product/market mix compares to the competitors' marketing mix. To what extent and in which areas do you stand out from the competition?

Your product/market mix should make it clear for customers whether you are aiming for the top end of the market, the middle range, or the lower end. This blending of perceived and physical added value will influence your choice of distribution channel, product quality and warranty, business communication and pricing.

Fast Learner 9

In this Fast Learner section you will learn how to appeal to your target group in the selected market segment by blending rational product value (i.e. price & intrinsic functionality) with emotional product value (i.e. perceived unique properties).

As soon as we start talking about the creation of emotions around a product, we tend to think of a communication mix of advertising & sales promotion. However, as a beginning exporter in a new market with sales that hopefully will pick up in the near future, you simply have no funds for that kind of thing. This means you will have to look for an extended product promise that passively communicates a Unique Selling Proposition, or if you like, a Unique Value Proposition. What is it that differentiates your product or service offer from others? Why should customers switch suppliers? In this context, managing to select a segment of buyers whose psychographic and behavioural variables are familiar to you is a huge asset.

If you have identified a segment with potential customers who from a psychographic point of view:
• display a similar personality;
• aim for the same lifestyle;
• look for the same values, and;
• take the same attitude,
then their purchasing decision will be based on the same:
• quality expectations;
• benefits sought;
• price range & flexibility;
• product use;
• frequency of product usage;

• brand loyalty;
• buying impulses;
• reference groups; and
• confirmation of income status.

All of the above are related to an emotional confirmation of the economy of the purchase: It's as if there is a voice in the head of the buyer whispering: "You just made a very good deal".

Now have another look at the research you performed to select your market segment, and you´ll have to admit that it is not so difficult anymore to create a customer profile.

Next, in your unique selling proposition, you have to appeal to that profile with passive communicators that as a whole will act as your silent salesman.

The two main communicators are:

First of all, **quality** – In the EU, it is almost impossible to buy products of inferior quality. This is the result of stringent regulations with regard to user health & safety, user product information, product liability and severe competition;

Second, **price** – Your pricing will determine whether you position yourself at the high end of the market segment or at the low end.

Together, these two communicators represent the **price/quality performance relationship** of your product. This inseparable combination will provide you with all the marketing flexibility you need to direct your product exactly at the right segment location.

Generating profit at the high end of the market segment
In order to position your product at the high-end of the market, it is vital to attune price and quality to all the other attributes of your product (e.g. colour, design, properties & functionalities, packaging): high price, high quality, full option packaging, low volumes. This is the kind of market entry we recommend most, as it will render short-term profits without overstretching your internal potential, while giving you time to develop customer intelligence and gain an innovator status and image.

Once this position is consolidated you can take a second position in your market segment:

Generating volume at the low end of the market segment
Positioning your product at the lower end does not automatically mean you should save on quality, on the contrary: quality reduction is out of the question, not only in the EU but in every competitive market! But you will agree that low-end customers expect less physical & emotional attributes to accompany a product. This is what we

call entry-product marketing: low price, high quality, little choice, high volumes. It is a very lucrative positioning strategy, all the more so as aggressive sales promotion involved will protect your high-end market share by fending off competitors and new entrants.

A third position is to:

Penetrate at the low end of the market and gradually move upward
A popular strategy is to enter the market at the low end through penetration pricing and to gradually move upward by introducing value-added product ranges against higher prices and with higher margins. The strategy can pay off, but has serious drawbacks, one being that it may take quite some time for you to shed the image of a low-end player. Also, profits in the penetration phase will be very small (if there are any at all) and there will always be some other supplier out there who can beat you on price.

✓ Fast Learner Pay-off
By entering the market segment at the high end, whilst gradually preparing to capture the voluminous low-end of the segment as well, you will be able to provide hands-on guidance to your company through its transition phase towards international marketing. Management by objectives in a responsible, prudent and sustainable way, resulting in market stamina!

7.4 Branding strategy (if applicable)

If you decide to operate in a foreign market under your own brand name, you have to realise that substantial investments will be required. Therefore, it is only advisable to do so if you're certain that it will lead to higher revenues, generate customer loyalty and stimulate repeat purchases, and that your brand and company image are appreciated by the trade.

It is certainly sensible to consider alternatives to branding: most outsourcing companies in Europe operate under their own brand name or a private label of their downstream buyers, or demand production according to specifications, with or without a licensing agreement.

Fast Learner 10

✓ In this Fast Learner section you will learn how to develop your company name as a brand to generate EU trade goodwill, not only for the development of private label business but also for the creation of a profitable consumer interface.

A strong brand can offer your company several important advantages. Your brand name distinguishes your product from those of the competitors; a powerful brand identity creates a major competitive advantage; and a brand recognised by buyers encourages repeat purchases. All these issues are unbeatable added values. However, for a small to medium-sized manufacturing company taking its first steps towards international marketing, it is very difficult to develop an international brand

strategy in order to market products in the EU. The enormous costs for brand & property right research, creation, assurance, test marketing, brand awareness creation and brand loyalty maintenance, added to the required long-term commitment, make this an impossible option for most SMEs. The pay-back time on your up-front and high-risk investment in brand awareness and franchising in a new market is unacceptably long!
In general, SMEs are advised to look for alternatives, such as corporate branding through the private label channel.

Large retailers like department stores, supermarkets and do-it-yourself chains with established names, increasingly agree with suppliers to place their own retailer brands on the products manufactured. This is called private labelling. The big advantage for producers is that they can thus avoid the high costs of marketing communication to the final users. On the shelves of the large-scale European retailers, manufacturers' brands are increasingly being replaced by retailer brands, alias private labels. Private labels have become a vital element of competitive differentiation and are subject to the same rules in the marketing game as manufacturers' brands.

This kind of agreement with a large scale retailer on a long-term production contract under a private label is an opportunity you should include in your market entry strategy. A contract of this kind will enable you to gain experience regarding the updating of your production process, the implementation of a quality & environmental management system and, last but not least, a solid introduction to modern international marketing & management techniques.

Even the positive spin-off these developments will have on your domestic marketing efforts are evidence that a private label may generate serious business for you.

Promoting business-to-business (B2B)
In order to appeal to the sourcing departments of these large-scale distributors (not only retailers, but also rack jobbers and industrial suppliers for after-markets, or sub-contracting equipment manufacturers), your company needs a professional identity. This is referred to as **corporate branding**. You have to attach a promising message to your company name. Think of it as a chemical process, in which the careful blending of thoughtfully selected elements results in a unique selling proposition for your company as a whole. Actually, it is like doing the positioning exercise all over again, but now for the company as a whole! Again, think of how you can distinguish your company from your competitors.

In other words: what kind of image do you want to radiate? How do you want your company to be perceived by EU buyers? Here are some image building elements you might consider:
• A committed quality provider centred on TQM;
• A professional organisation focused on effectiveness and efficiency;
• A responsible organisation with high ethical values and care for the environment;
• A dynamic, successful and creative partner with an innovative drive;
• A reliable business partner with a longstanding reputation and high vendor ratings;

• A pleasant sparring partner whose words and deeds are in harmony;
• A true value partner in the supply chain.

Selective distribution
In order to start a high-end retail activity and/or franchise venture in your EU priority market, you can use your local brands, or even new brands in combination with your corporate brand. The first benefit of corporate branding is that it enables you to visualise your company brand for decision makers. Second, it will help you gain marketing experience which you can use pro-actively in your B2B marketing efforts. Third, you will realise a profitable spin-off from your private label learning curve.

✓ Fast Learner Pay-off
The Internet and your company website are ideal for corporate image communication. The private label channel generates so much market experience and information that you will be able to establish a selective value chain for high-end market coverage and longer-term brand building.

More tips on promotion will follow in paragraph 7.8

7.5 Product strategy

How can you develop your product range in accordance with customer needs and prevailing market conditions (competition, rules, regulations) in the target markets? Can you use your existing product assortment or does it need adapting?

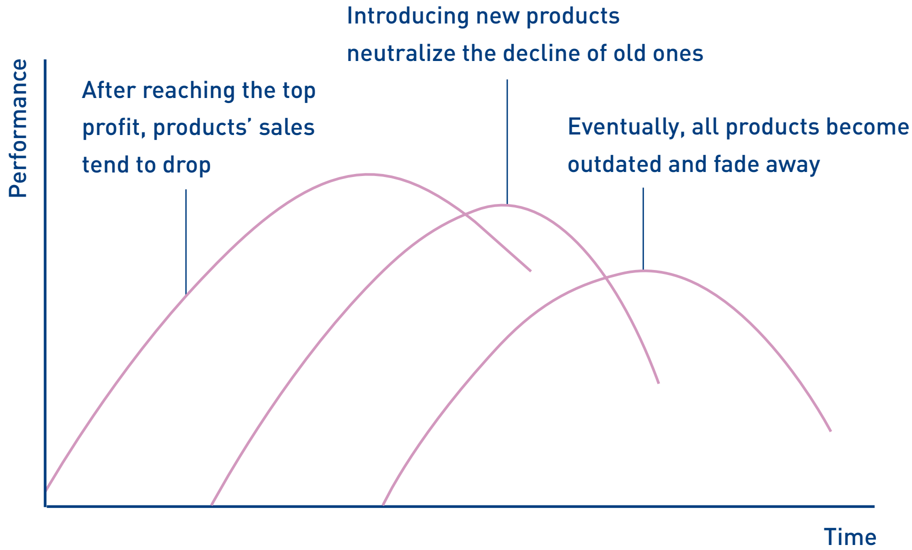
- **Features/benefits analysis**
    - o Do your products offer features (the physical properties of the product) or benefits (value-added usage) that add value to the customer?
    - o Does the intrinsic product contain elements that are not appreciated by your customers?
    - o Always remember that product safety, recyclability, user-friendliness and convenience are dominant success factors in the European Union, not least due to legislation.
- **Unique selling proposition of your products**
    - o Do your products offer unique properties that no other competitor offers and hence are an incentive to customers to buy them? You should try to name at least one USP per marketing P (product, place, promotion, price, people, planet), as this will help you formulate your sales message.
- **Product development**
    - o You will discover that only in exceptional cases will your product be immediately accepted by the market. This is why product development capability, in relation to market demands, is so important. At a higher level, it is not just your product development but rather process management capability that is a key success factor. If your processes reach European levels (including research and development processes), you will attract customers who are willing to assist you in producing according to the required specifications. In this respect, do consider the importance of compliance and assurance with management systems (e.g. ISO 9001:2008 for quality management and HACCP for food safety).

- **Product packaging**
  - o Packaging is one product feature that almost always calls for market adaptation. Packaging includes all aspects of the package that holds your product. It must be practical, convenient and promotional. Export packaging solutions involve issues of engineering, design, graphics, distribution and marketing. In the EU, three new packaging issues have emerged: environmental concerns, safety concerns, and what is called 'packaging as product'. In most cases it is advisable to include your trade partner in your packaging adaptation decisions.

Hint: In determining your export product portfolio, consider the following critical success factors:

- o Product life cycle stage: Does your product fit into the market's current life cycle stage?
- o Product profitability: Does your margin justify your market entry efforts?
- o Product seasonality: Does the timing of your product launch match seasonal demand, or is there a possibility for counter-season offering?

In affluent countries, market needs shift quickly.



Particularly in Western countries, markets' needs shift quickly. Products should continuously be updated or renewed.

Fast Learner 11

In this Fast Learner section you will learn how to adopt the requirements of your new EU market segment, adapt your products accordingly and improve your performance continuously, reaching a state of market and marketing alertness.

The market access requirements, needs and wishes prevalent in your new EU market will differ from those on your domestic market. You will have to create a new USP by means of product development and subsequent tuning of your marketing mix. In the market audit and market segmentation process you accumulated a lot of market research data, including legislative market access requirements, buyer requirements and, finally, all the issues pertaining to the purchasing behaviour of the end consumer in your selected market segment.

- What is the Unique Selling Proposition of your EU product?
- Why would the customer be willing to switch supplier?
- What is your company's added value to him?
- Can you offer production according to his specification and quality levels?
- Can you be his most reliable supplier in terms of quality consistency and just-in-time delivery?
- Can you offer a partnership, or co-makership?
- Can you be pro-active in developing innovations?
- Can you supply year-round and in the quantities required?

Thriving on – or drowning in – chaos?
If you let every specialist in your company jump on the development tasks that lie ahead in an uncoordinated manner, the outcome will be a non-conforming product with development costs that are too high and a time-to-market that is far too long. Just look back at any critical development path you've travelled (if you can find one) and you'll see the following stages in time: enthusiasm, despair, panic, absenteeism, search for the guilty, punishment of the innocent, reward for the criticasters who never wanted to start exporting in the first place.
In order to transcend this cycle, you will have to classify all data to arrive at a project strategy for the adaptive or innovative development of your European product. This strategy must then be implemented by a multidisciplinary project team, including top management, finance, marketing, sales, production, logistics and, if possible ... your trade partner!

This will result in a rational fact sheet with convincing arguments as to why you have selected a certain product for new market development, such as the following:

- Current and desired product benefits;
- Current and desired technical specifications, visualisation of the adaptation gap & workload;
- Quality requirements and required product standards, properties and attributes;
- Legislative requirements for product liability, consumer health & safety, environmental care;
- Packaging in accordance with EU legislation and customer requirements: type, composition, content, preservation properties & transport efficiency.

Next, you must plan your product development activities with a single, super-dominant goal in mind: a time-to-market period that is substantially shorter than those of the competitors!

The steps to take in implementing your product development or adaptation strategy are:

- Concept development + time span (what do you have to do & how);
- Concept confrontation + time span (is this what you intend to arrive at and is this what you need);
- Concept confirmation (including stakeholder feedback & last-minute improvements) + dead line;
- Production process preparation & capacity reservation (parallel track);
- Production development (time span + deadline);
- Market introduction (contractual delivery date).

Here's some advice with regard to the above project:

- Determine a specific kick-off moment (hand-over from marketing to development task force: from market research to process research);
- Determine a Pre-prototype "design review" milestone;
- Determine a Prototype test "design review" milestone;
- Determine Wind-down (point-of-no return: hand-over date to detailed design);
- Clarify and stick to all milestones at the onset, communicate to everybody from the shop floor to the board room;
- Concentrate development tasks by delegating to task forces consisting of not more than 3 persons;
- Conduct mid-term reviews & take corrective actions, such as parallel paths.

Packaging

From the start of the product development or product adaptation project, special attention should be given to the **packaging aspects** of your new product, as it includes process-critical outsourcing, thus increased complexity and control. Here, too, you'll need a fact sheet in order to secure optimal performance of all packaging functions – in compliance with environmental packaging regulations – throughout the life cycle of the product, including disposal, re-use (recyclability).

Functions	Stage
• Protection	• Storage
• Containment	• Transport
• Presentation	• Display
• Identification	• Use
• Information	• Disposal
• Convenience	• Re-use
• Compliance	• Recycling

✓ Fast Learner Pay-off

By introducing an official project strategy for product adaption and innovation, your company will be able to meet one of the most important competitive requirements of EU trade: mastering time-to-market processes in such a way that they can be rigidly planned and guaranteed. Now you will be able to react to many unexpected changes in consumer behaviour or "trend cycles" in an alert way – not just in the EU, but also in your traditional markets!

7.6 Pricing strategy

In many cases, you will not be able to dictate your own prices. Your market research should give you insight into the prevailing retail and wholesale prices, appropriate margins and competitor prices. Here are some considerations to make in determining a pricing strategy: cost, demand, competition, image, segment. Also, you need to consider what countermeasures your competitors may take. Will they strike back? Will they be forced to defend themselves aggressively? Are they in a position that might allow them to take long-term actions to undermine your position?

You may choose from the following four basic pricing strategies:

- **Cost-plus pricing.** In cost-plus pricing, you look at the cost of what you're selling, that is, your production costs, and add the profit you need to make. Cost-plus means Cost + profit. This strategy is used mostly in opportunity marketing. The focus here is more on selling than on sustainable long-term marketing.
- **Competitive pricing.** Competitive pricing means establishing your market price by benchmarking with competitors' prices and differentiating through marketing-mix incentives. The result should be a better price/performance ratio than the competitor average.
- **Penetration pricing.** You can adopt penetration pricing by applying low margins or even applying marginal costing (of current sales cover the contribution to overheads and you still have spare capacity to utilise) and sell at a price lower than those of all your competitors. The focus here is on entry and high volume. A negative side effect is that penetration pricing generates a low quality image (price fighter) which may hinder upward marketing later on.
- **(Perceived) Value pricing.** You can adopt value pricing in markets in which there is no competition (yet) or in which your product is perceived as unique or superior. Volumes here may be small and margins high. This means you can lower the price at a later stage to increase volume.

Pressure on cost-price

Due to intensive competition in the EU market, you will experience permanent pressure on the cost-price of your products. Therefore, you should make continuous efforts to reduce your cost-price and scrutinise the different value chain components for increased efficiency. Put efficiency programmes in place to reduce costs associated with: inbound logistics, outbound logistics, operations, procurement, the firm infrastructure, technology development, marketing and sales and services. For example, you might reduce energy consumption, reduce waste and rejects, optimise machine utilisation, minimise warehousing, adapt product dimensions and packaging for pallet and container optimisation, adapt factory lay-out, form alliances or clusters to share R&D or marketing costs.

Fast Learner 12

In this Fast Learner section will learn how to implement backwards price calculation in order to keep your F.O.B. price in relation to the final customer price on your EU market.

The issue of pricing highlights the difference between exports and international marketing. In exports, you quote an EXW price or an F.O.B. price and you have no insight into the final consumer price of your product or the trade margins applied. Actually, this is standard opportunity business.

By contrast, international marketing provides you with research data that will enable you to position your product exactly in the right price segment in order to offer your target market the desired price/product performance ratio. Hence, in international marketing, the issue of pricing revolves around three correlated elements:

1. Your costs
2. Your competitors
3. Your buyers

Whenever you feel there are problems in positioning your product in a certain market segment at a certain price, checking your marketing approach on the basis of these 3 elements will help you to quickly locate the problem and adjust your efforts. For example, if a buyer favours your product, but thinks your price is too high, there may be 2 reasons: either you are entering a very competitive market segment where the pricing instrument is the main marketing tool, or the buyer perceives that the price of that product is too high in relation to the value it offers its final users. Both reasons require up-front market research. Your research should provide you with sufficient background information to know whether your pricing objectives are feasible, whether the demand for the product justifies the expected efforts, whether your cost structure is sound and whether you can match or even outsmart competitive behaviour.

So, instead of basing your calculations on production costs and adding your gross trading margin, you are advised to take the final market price as your starting point and calculate your way back to arrive at an appropriate Ex Works price.
In fact, you should do the exact exercise with the final market price of your main competitors (or going market price), in order to benchmark your cost of production with theirs and start a continuous cost reduction programme.

The basic six steps in export pricing are:
1. Select your price objective (remember the Fast Learner regarding positioning);
2. Quantify demand (total demand & your targets);
3. Find out the downstream distribution costs and trade margins in the selected supply chain;
4. Analyse competitors' behaviour and compare their perceived price structure with yours;
5. Establish a target price structure;
6. Present a price quotation.

With this information you can select a pricing structure. You may need to adjust your (cost)price, or you may decide not to enter the market segment at all because you cannot possibly meet the desired price with your current costs. Various scenarios are possible at this stage. For instance, what if both competitors and buyers are quite happy with the existing market balance and refuse to accept newcomers, even of you're offering lower prices? A situation like this may force you to look for buyers in other segments – a so-called outflanking entry strategy. You'll discover that playing with the 3 elements will provide you with various market options for avoiding head-on competition, whereby each option should be followed up with a research process.

Elements of a value-adding price structure per product

- Fixed costs
- Variable costs
- Total cost-price
- Profit margin
- EXW price
- Transportation costs to port
- Shipping costs
- Insurance costs
- Import duties
- Clearing costs
- Transportation costs to warehouse
- Trade margins in the supply chain
- Value-added tax
- Consumer price

➔ Calculating top-down first and then bottom-up is a lot of work. The CBI has made a Price Structure Calculator available to make the job easier (at www.cbi.eu). The calculator also indicates the so-called Multiplier, which shows how many times your F.O.B. price has to be multiplied to arrive at the final consumer price. Knowing the multiplier of your product for an EU market will enable you to quickly compare the F.O.B. prices of competitors or the current average market rate for your type of product with your own F.O.B.: you simply divide these prices by your multiplier. Thus a personal exploration of the market place or a study of competitors' price lists will give you a good 'gut feeling' about your competitive advantages.

✓ Fast Learner Pay-off

Making backwards pricing calculations and comparing them to calculations for your traditional markets will help you discern whether your production costs meet global levels. If your production costs are too high, you're at risk of suffering erosion of profits and losing market share to competitive market entrants in the near future. Again, starting with exports and benchmarking lessons learned against your current operational performance will have a positive effect on your overall cost structure.

7.7 Distribution strategy

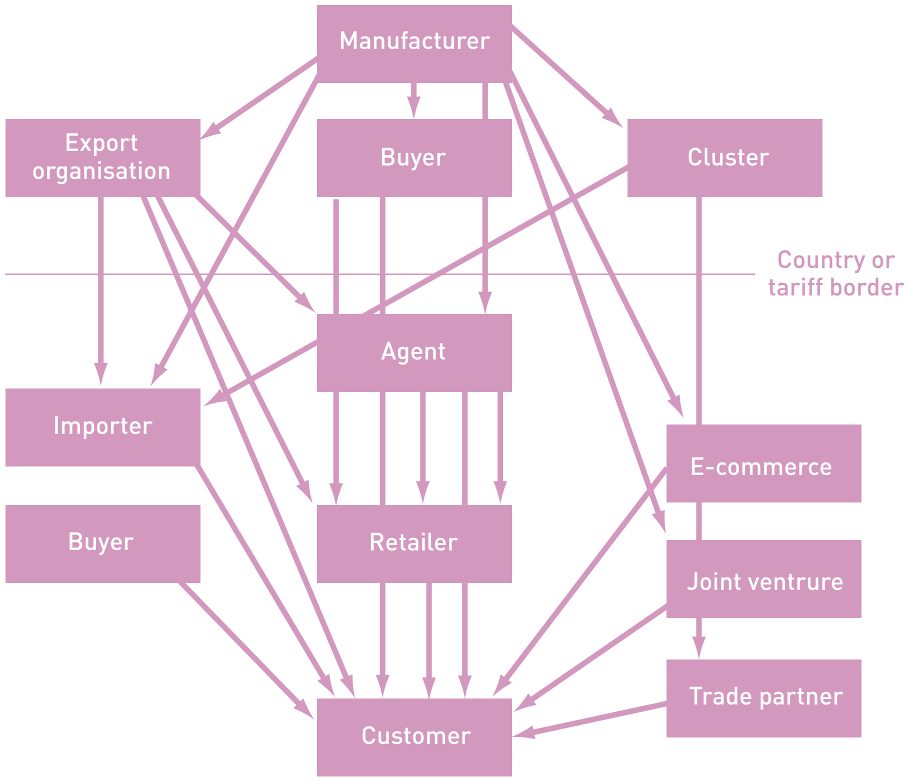
Proper placing produces profits! The first decision you have to make in this stage is whether to approach your new market directly or indirectly. An indirect approach means having all export activities taken care of by a dedicated exporter or agent, or having all import activities taken care of by an importer or agent.

If you decide to enter the market directly, be aware of the fact that you will have to take care of in-market stocks, in-market promotion, in-market distribution and in-market sales. It may be very difficult to keep your investments in proportion to expected gains!

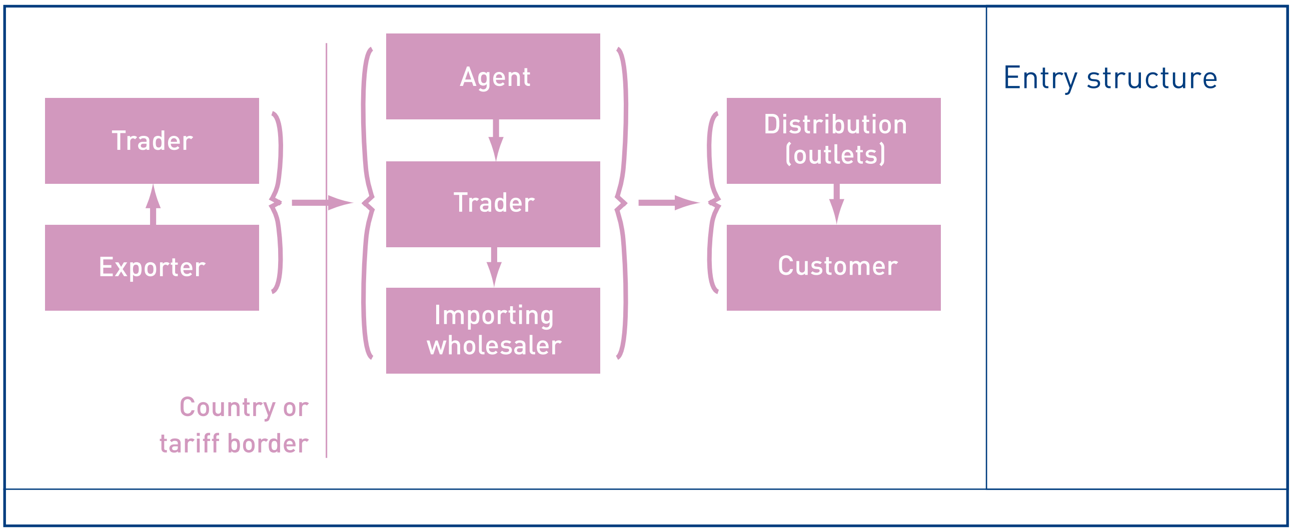
When formulating a distribution strategy, ask yourself:
o What am I selling?
o Who are my prospects?
o Where are they?
o How can I reach them?
o How does the distribution channel work?
o What does selling through this channel imply (trade margins)?
o How many channels should I use?

If you manage to follow the product flow upstream – from the front-line (with a profile of the end consumer) back to the importer – you will be able to select the right market entry mode. This mode may include any of the following players: exporter, agent, importer/wholesaler, manufacturer (co-makership/subcontracting), OEM (original equipment manufacturer), retailer, e-tailer (webshop), independent sales representative. A joint marketing agreement as supplier to a large marketing company is also an option. In fact there is a labyrinth of inroads (see below).

Labyrinth of inroads



In a simplified form, your entry structure will look like this:



Both diagrams show a structure in which intermediaries provide you with access to any market. Positioned between the supplier and the buyer, these intermediaries try to close the functional (cross-border) gap by matching the two. Most industrial goods flow from the supplier via the importer (wholesaler) straight to the buyer. Consumer goods follow a more intricate system of distribution and re-distribution through retail channels before reaching the end consumers in the far corners of the area served.

In summary, the main intermediaries you can choose from are the following:

The agent	An independent person or company who merely intermediates (bringing exporter/seller and importer/buyer together). His services are paid (usually by the exporter) in the form of a commission, which is a percentage of the (CIF) value of the goods imported.
The importer	An independent company, specialised in importing a certain range of goods from abroad. An importer buys directly from the exporter and thus becomes the rightful owner of (or 'takes title' to) the goods. In turn, he will try to sell the goods to wholesalers or, in the case of industrial goods, to customers.
The importing wholesaler	An importing wholesaler is a company that not only imports but also operates facilities to forward the goods into the distribution channels by means of promotional support.
The trading house	A trading house is an independent company that specialises in trading certain range(s) of goods. A trading house or company buys and sells on its own account and at its own risk. It decides on its own export assortment. Trading houses usually have a strong commercial acumen and professionalism. Sometimes their after-sales performance, which is necessary for most technical and industrial products, is weak. A trading company can be located in your own country or in the target country.
The broker	A broker is an independent person or company who, somewhat like the agent, brings together buyer and seller and gets paid by the party who hired him. The broker holds neither title, nor stock. Occasionally, he can provide consultancy services, based on his sector knowledge. Brokers operate in several European markets, mainly in the food sector, and also to some extent in certain commodities, branded consumer goods, real-estate and insurance.

Fast Learner 13

✓ In this Fast Learner section you will learn how to profile your future EU trade partner in order to start a successful search & selection process.

From the moment we started thinking about your market entry strategy, we also began to talk about a trade partner as a crucial facilitator for successful market entry. Imagine the problems that might arise if you select a trade partner in an opportunistic way, just because you get on with business! The risk of a carelessly selected trade partner becoming a limiting factor to sustainable market development after a year or two, forcing you to select another one, is substantial. It would hurt your market reputation, influence continuous growth and most probably cost you a lot of money. Therefore, you should realise that a trade partner in the EU who is able to prove that he has been contributing to the creation of goodwill for your company in his market, has a very strong jurisprudential position, even in case of an exclusivity contract of limited duration.

It is often said that thorough preparation is half the work. For this reason we recommend using an extensive checklist for trade partner search and selection, covering the complete marketing mix. The result will be a profile that you can use as benchmark in your search for the most suitable partner on the Internet, at trade fairs or buyer/seller meetings.

A good profiling checklist will help you identify lead customers in your First-Priority Markets within the EU. By identifying, selecting and appointing suitable Trade Partners (TPs) in a limited number of countries, you will be able to build sustainable business while the partnership launches you on a continuous learning curve.

If you start your web-based research for trade partners with a clear profile in mind, you will have a better sense of direction (what to look for), which will improve your chances for direct hits while canvassing.

Internet sources for long-and short-listing potential trade partners

Business directories	For example: Kompass: www.kompass.com Europages: www.europages.com Wer Liefert Was: www.wlw.de ThomasNet: www.thomasnet.com
Trade fair catalogues	Usually available on-line for each individual fair. Check for relevant trade fairs at: www.auma.de Browse Frankfurt Fair trade show catalogues via: www.productpilot.com
Vertical portals	Usually available for each sector or product group. Check the CBI's 'Digging for Gold' manual at www.cbi.eu
e-markets	Check relevant e-markets at: www.emarketservices.com

➔ More tips on finding relevant sources for identifying trade partners can be found in the CBI manual 'Digging for Gold' (downloadable at: www.cbi.eu)

✍ *Exercise 10*

LONG-LISTING, SHORT-LISTING AND OPERATIONAL SCREENING

You can use the Internet sources listed above for obtaining a long-list of potential Trade Partners (hereafter TP). However, these databases may generate hundreds of names and contact details. The challenge is then to compile a short-list out of the long-list, applying filter criteria to gradually narrow down to 3 high-potential Trade Partners.

Step 1 From long-listing to short-listing potential trade partners

The first step is to apply filter criteria that correspond to your market and segment selection. Think of the geographical area covered (country, region, province), product assortment, market segment (low-end, mid-market or top-end), trade partner type (retailer, importer, wholesaler, agent) and trade partner size (small exclusive, specialised importer or large-scale retail chain). Use the various databases listed above and short-list on the basis of the following assessment:

	Yes	No
• Does the potential TP cover your target market?		
• Does the potential TP cover your target segments?		
• Does the potential TP have a product assortment to which your offering will be complementary?		
• Does the potential TP have a functional profile (agent, importer, processor, retailer etc,) that corresponds with your objectives?		
• Is the size of the potential TP in line with your capabilities and objectives?		

Short-listing on the basis of segmentation, trade partner type and size

Score: The long-list TPs for which all the 5 answers are Yes can be placed on your short-list.

Step 2 Quick scanning your short-listed companies

Having short-listed a number of potential TPs on the basis of market segmentation and trade partner profile criteria, it is now time for you to perform a quick scan of the added value in the supply chain that you expect from your TP. Try to assess the following basic value-adding activities by visiting the website of each company, or through e-mail or telephone contact.

Quick scan on:
Added Value

	Yes	No
• Does the potential TP have a good reputation, track record and network in the market you're targeting?		
• Does the potential TP actively analyse and anticipate buyer's demand?		
• Does the potential TP distribute & present products locally, benefiting from marketing synergy?		
• Will the potential TP give you the benefits of his customer listings as a reliable, long-term supplier?		
• Does the potential TP provide in-market stocks, resulting in overnight deliveries?		
• Does the potential TP finance his in-market stocks himself?		
• Does the potential TP buy cost-efficient long-distance transport quantities and does he break them down into saleable supply chain units?		
• Will the potential TP, as your representative, take care of personal selling, promotion, displaying & advertising (catalogue, website, e-business)?		
• Does the potential TP take care of pre- and/or after sale service, complaint handling, installing, and repairs?		
• Does the potential TP check deliveries, process orders, obtain licenses etc.?		

Score: The potential TPs for which the majority of the answers is Yes may offer substantial added value that will be beneficial to you. As such they may qualify for Step 3.

Step 3 Detailed scan on functional profile

In the detailed scan, you will use the elements of the Marketing Mix – Product, Price, Place, Promotion, People and Planet – to arrive at a detailed profile. The resulting profiles should enable you to ultimately determine which potential TP is best qualified to become your TP.

Detailed scan on: Product

	Yes	No
• Does the potential TP have a product assortment that appeals to you?		
• Are your products complementary to that assortment and can synergy be achieved?		
• Does the potential TP cover the most important market segments for your positioning?		
• Does the potential TP support the positioning you envisage for your product?		
• Does the potential TP have a quality policy regarding products and services that matches your own?		
• Does the potential TP offer after-sales services in line with your requirements or expectations?		
• Does the potential TP process upstream & downstream orders effectively and conveniently (planning, frequency, lead times, confirmations)?		
• Does the potential TP execute logistics effectively and conveniently (packaging, delivery, support, documentation)		

Score: How does your short-listed potential TP score? If the answer is 'Yes' to all the product-related functions, it's perfect. If there is one or more 'No' on your list, consider the importance of that particular function: is it a showstopper or not? Could discussing the issue with the TP turn the 'No' into a 'Yes'?

Detailed scan on: Price

	Yes	No
• Is the pricing strategy of your potential TP in line with what you have in mind for your products?		
• Does this pricing strategy provide your potential TP with ammunition to react to competitive offers?		
• Does the assortment of your potential TP include several ranges with differing price/performance ratios (for example a 'fighter' product at the lower end of the market etc.)?		
• Does the price structure of your products provide your potential TP with the opportunity to penetrate a new market segment?		
• Does the price structure of your potential TP allow for specific discounts in case of (tendered) projects?		
• Are the expectations of your potential TP regarding payment & delivery terms in line with your risk management policy?		
• Can you meet the expectations of your potential TP with regard to seasonal tactical special offers?		
• Is your potential TP willing to share the cost of tactical sales promotion activities?		
• Is your potential TP willing to work with an end-of-year performance bonus, which includes several quantity levels?		

Score: How does your potential TP score? If the answer is 'Yes' to all the price-related functions, it's perfect. If there is one or more 'No' on your list, consider the importance of that function: is it a showstopper or not? Could discussing the issue with the TP turn the 'No' into a 'Yes'?

Detailed scan on: Place

	Yes	No
• Does your potential TP meet your expectations with regard to logistics?		
• Does your potential TP have sufficient market coverage in order to deserve market exclusivity?		
• Does your potential TP have an up-to-date Market Information & Intelligence System, providing realistic & detailed annual forecasts of demand per marketing activity?		
• Is the distribution strategy of your potential TP in line with your ideas about market coverage?		
• Can your potential TP meet specific transport requirements?		
• Does your potential TP meet your expectations regarding delivery speed & frequency?		
• Is your potential TP willing to keep stock of possible standard products & replacement parts in order to guarantee an optimal service level?		
• Is there connectivity with your potential TP with regard to stock management procedures & practices?		

Score: How does your potential TP score? If the answer is 'Yes' to all the place-related functions, it's perfect. If there is one or more 'No' on your list, consider the importance of that function: is it a showstopper or not? Could discussing the issue with the TP turn the 'No' into a 'Yes'?

Detailed scan on: Promotion & Sales

	Yes	No
• Does your potential TP make use of a promotional calendar? (for advertisement, DM, leads, addresses, demo materials etc.)		
• If you have a promotional programme in mind, does this programme match the promotional calendar of your potential TP?		
• Is your potential TP willing to employ collective sales promotional activities with you?		
• Does your peak season match the sales development of the complete assortment of your potential TP?		
• Is the quality of sales promotional material used by your potential TP (incl. website & catalogue) up to the mark?		
• Is your potential TP familiar with the sales efforts needed for your kind of products?		
• Do you think your potential TP would appreciate (technical) sales training & support from your side?		
• Do you think your potential TP would appreciate regular sales meetings & brainstorms with your management?		
• Do you think it would be possible for your TP and you to develop and agree upon a National Marketing Strategy?		
• Does the potential TP make use of regular Customer Satisfaction Surveys (which is mandatory under ISO 9001) and is the potential TP willing to discuss the results with you?		

Score: How does your potential TP score? If the answer is 'Yes' to all the promotion and sales-related functions, it's perfect. If there is one or more 'No' on your list, consider the importance of that function: is it a showstopper or not? Could discussing the issue with the TP turn the 'No' into a 'Yes'?

Detailed scan on: People and Planet

	Yes	No
• Does your potential TP have an environmental policy and improvement plan in place?		
• Does your potential TP have a corporate social responsibility policy and improvement plan in place?		
• Does your potential TP engage in responsible sourcing practices?		
• Does your potential TP have a code of conduct that matches your own environmental and social values?		
• Is your potential TP willing to further develop and improve environmental and corporate social responsibility programmes together with you?		

Score: How does your potential TP score? If the answer is 'Yes' to all the people and planet-related functions, it's perfect. If there is one or more 'No' on your list, consider the importance of that function: is it a showstopper or not? Could discussing the issue with the TP turn the 'No' into a 'Yes'?

Once you have the scores of the detailed scans for all individual marketing instruments, you can calculate the overall average. The outcome is an indicator of how closely each prospective Trade Partner meets your expectations. You can be sure that the potential Trade Partner with the highest overall average will be eager to join forces with an exporter like you in order to expand business!

✓ Fast Learner Pay-off

By using a rational and traceable search & selection system for identifying a suitable trade partner in your first-priority market, you will gain a lot of knowledge about the supply chain in that particular market segment. This first-hand experience will make your next search & selection process in other EU markets or segments much easier: you will have developed a gut feeling for the right type of partnerships!

7.8 Promotion strategy

Promotion boosts purchases! Defined narrowly, promotion means ways of creating awareness or inducing people to buy.

The promotional mix is a range of techniques for initiating, increasing and maintaining awareness of what you offer to your customers in the most cost-effective way. As part of the mix, you can use the following ingredients: Direct Marketing, email marketing, advertising, trade shows, personal visits, in-store and distribution channel promotion, free publicity, catalogues and brochures (CD ROMS). Recently, Internet marketing, specifically search engine marketing, and use of social media like Facebook, Twitter and YouTube are topping the list of marketers. These tools should certainly not be overlooked by exporters from developing countries and be included in the mix, integrated with the website. They may provide relatively low cost-high impact promotion solutions.

The **AIDAS** formula is an easy way to remember the 5 key goals of any effective promotional mix:

- Get **Attention**
- Capture **Interest**
- Create **Desire**, that
- Leads to **Action**, and
- Customer **Satisfaction**

➔ For more information on effective trade fair participation as a promotional instrument, download the CBI's export manual 'Your Expo Coach' at www.cbi.eu

➔ For more information on image building campaigns, download the CBI's export manual 'Your Image Builder' manual at www.cbi.eu

➔ For more information on website promotion, download CBI's export manual 'Website Promotion' manual at www.cbi.eu

Fast Learner 14

In this Fast Learner section you will learn how to align the content of your promotional materials (incl. website) with the structure of supplier quality assessments and codes of conduct commonly used in the EU.

In the Fast Learner about branding strategies, we looked at the importance of corporate branding. An important choice regarding communication should, of course, be in line with your communication strategy. In other words, you will have to orchestrate your promotional emphasis to harmonise with your company brand. Your company image has been tuned to buyers' expectations. The next step in your communication strategy is to confirm that image by translating it into the added values you offer prospective buyers. The trick is to trigger buyer reactions, like "They speak our language and they understand our business and market". Your website is among the most suitable tools for implementing your trade promotional strategy, which, in turn, is based on your corporate image.

The first question you have to ask yourself is: **Who** do you want to address? Whose attention do you want to attract? Generally, you will be aiming for the decision-makers and policy-makers of importing companies in Europe who are looking for new global sourcing opportunities. They are generally very well-informed, have purchasing authority, good commercial insight and experience with new business development.

The second question is: **What** would they like to know before they would even consider contacting you? Here are some points they'd look for:

- The benefit of doing business with you;
- Your added value;
- Your company's track record: markets, products & customers (including testimonials!);
- Your international business strategy and success factors;
- Your capacities to produce, develop, adapt and innovate;
- Your compliance to international standards (quality, health and safety, environment and social responsibility);
- Your vision regarding the future development of your company and the market;
- Who is who: the people who make it happen!

The third question is: **How** should you address this experienced and well-informed target group? Critical success factors for effective communication with these 'receivers' include:

- Clear & convincing use of language;
- Focus on your USP and added value;
- Focus on benefits (why they should do business with you);
- Facts (present market share figures rather than saying 'We are the leading supplier of ...');
- Visuals (pictures and videos illustrating product assortment and production environment);
- A formal, business-like style, radiating an international spirit;
- A sense of trust and reliability (supported by evidence, e.g. certifications);
- To-the-point information (follow the KISS principle: Keep It Short and Simple);
- Permanent focus on communication aim & target group.

The lasting impression

A potential buyer who has seriously studied your website and other promotional materials should have all the information he needs to make a quick scan of his supplier quality assessment and his own company code of conduct in order to rank your company as a potential sourcing opportunity. His quick scan will include knock-out criteria that reflect on his firm's business principles and purchasing requirements.

Exercise 11

THE 6 KEY PILLARS OF A RESPONSIBLE SOURCING PROGRAMME

Check whether your website – in addition to covering the corporate essentials – provides information on the following responsible sourcing issues. Try to do the same with other websites in your industry.

RESPONSIBLE SOURCING ISSUE	WHERE & HOW COMMUNICATED?
1. BUSINESS INTEGRITY	
There shall be compliance with all applicable laws and regulations of the country where operations are undertaken. There shall be no improper advantage sought, including the payment of bribes, to secure delivery of goods or services.	
2. LABOUR STANDARDS	
There shall be no use of child labour, forced or compulsory labour, and no employee shall suffer harassment, physical or mental punishment, or any other form of abuse. Wages and working hours will, at least, comply with all applicable wage and hour laws, and rules and regulations, including minimum wage, overtime and maximum hours in the country concerned.	
3. HEALTH & SAFETY	
Safe and healthy working conditions will be provided for all employees.	
4. ENVIRONMENTAL MANAGEMENT	
Operations will be carried out with care for the environment and will include compliance with all relevant legislation in the country concerned.	
5. QUALITY & CONSUMER SAFETY	
All products and services will be delivered in such a way as to meet the quality and safety criteria specified in relevant contract elements, and will be safe for their intended use.	
6. TECHNICAL CAPABILITY	
All company processes will meet up-to-date production standards for sustainable technology, efficiency and economy.	

√ Fast Learner Pay-off

By focusing on your company website as the most suitable tool for corporate branding in your promotion strategy, you will be able to generate market responses in an efficient and economic way. By integrating the 6 key pillars of responsible sourcing into your website structure, you are fully in line with EU sourcing practices!

➔ More information on website promotion techniques can be found in the CBI's export manual 'Website promotion' at www.cbi.eu.

YOUR EXPORT CYCLE: The Operational Management stage

(Chapters 8-10)

8 Management responsibilities

Finally you have entered the last cycle of your export process, which is the operational management stage. In this stage the quality of all the work will have to become visible by means of encouraging international business results. Also the positive impact of all your market expansion activities on your domestic business should become noticeable in your organization, contributing to the wind of change each stakeholder of the market development project will be feeling. Your company is no longer forecasting its future, but creating it!

After concluding the audits and formulating effective strategies, it is time for you to outline what will be required of your company's management to achieve the desired export-readiness and to succeed in your market entry efforts. Who will be responsible? How will operations be run? Which systems will be in place? How will the workload be divided? How will you control your export marketing activities, or balance them and their claim on your company's capacities and resources with your domestic marketing efforts?

Your export venture should by no means jeopardise your company's domestic position. Consider critical control points and contingency plans in order to manage the risks of this international adventure.

Fast Learner 15

In this Fast Learner section you will learn how to implement procedures to minimise the risks involved in international trade.

To your company, EU market expansion is a non-routine activity. It is a management rule that the responsibility for all non-routine activities should be placed on the desk of the chief executive officer. So you're the one who should assume responsibility & accountability for all risk management practices. Take a look at the extensive list of risks below and you'll probably be quick to acknowledge that sound risk management is impossible without thorough research.

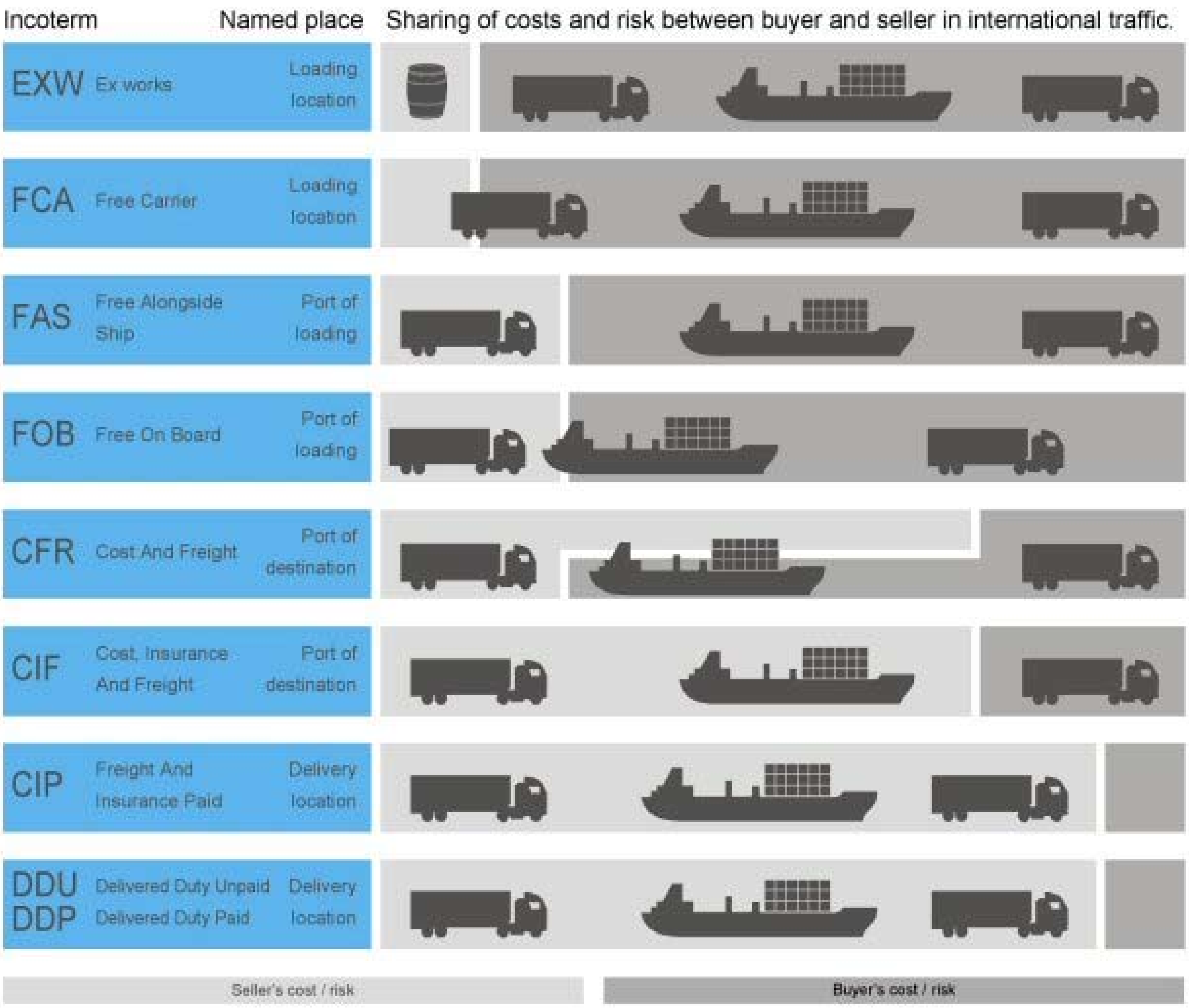
What types of risks will you have to manage when entering EU markets?

Customer Risk

You will need an assessment of the credit-worthiness of your customers. This assessment should at least cover the following issues:

- The identity of your customer. Is their business legally established in the country of import?
- The payment and delivery terms as requested by the customer;
- The willingness of the customer to open a Letter of Credit;
- The period of credit as requested by the customer;
- The trading history of your customer. Are they prompt payers? Have there been any deviations from normal payment patterns?
- The solvency status of the customer. Remember that a customer's insolvency can involve you in a pre-credit risk and losses can occur if your customer becomes insolvent during the manufacturing process or at any time before or after the dispatch of the export consignment.

Overview of delivery terms



You can obtain the information you'll need to carry out these checks either yourself or through a reputable credit agency or credit insurer. Examples of reputable international credit rating agencies are: Dunn and Bradstreet (www.dnb.com) and Graydon (www.graydon.co.uk).

Credit Risk

How much credit are you prepared to give? In order to decide on that, you must consider:

- The amount of credit outstanding in your trading accounts, both overseas and domestic;
- The maximum amount of credit you should NOT exceed;
- The risk of encountering a financial shortfall. What will be the impact on your business if your customer delays payment or does not pay at all?
- How will you finance the credit period you offer? In other words, do you have enough cash to offer credit terms in export sales contracts as part of your business cycle?

Country Risk

The country you are targeting may pose separate risks you will need to manage. Country risks traditionally fall into four areas:

- Political stability, i.e. internal and external threats to the stability of the country; the risk of political decisions frustrating your export sales, including the imposition of embargoes, tariff or other quotas, and import or export restrictions;
- The financial system, i.e. the presence or absence of commercial institutions in the country, and the competence of the banking and financial services sector;
- Natural disasters, as some regions of the world suffer from regular climatic catastrophes (for example annual flooding, drought, earthquakes and other disasters). When these occur they can severely disrupt the operations of both the business sector and the government;
- Fashion and Finance, as international trading patterns often create a fashionable region or country as an export market. In these circumstances trade finance is often readily available, allowing you to offer good credit terms to your export customers. However, fashions change and countries can quickly fall from favour for both exports and trade finance.

Foreign Exchange Risk

If you do business with a trade partner in the EU you will most likely be dealing in €. This means you will be exposed to fluctuations on the foreign exchange market. You can manage this risk by continuously monitoring fluctuations of your currency against the €.

Other risks

If you manufacture goods to order, your export strategy must include a contingency that will help you manage the risk of a frustrated export, i.e. a situation in which your customer refuses to accept the goods. You should have a plan to either resell the product to another market or realise a salvage value for your goods. In most cases, the cause of rejection can be traced back to manufacturing (thus representing a

production risk, which can be tackled by a higher cycle of final inspections) or to transportation, a risk which can be covered by insurance.
You must also have procedures in place for the collection of your invoice amount. Your contract may stipulate that you have to collect your money in your customer's country. This obviously has its risks as collection may involve uncertainties or extra expenses, so you will have to consider the legal system in their country. Your contract may, however, allow you to take legal steps to recover your debt in another country, including your own.

How do you manage these risks?
You can do the job yourself or employ the services of a comprehensive credit management and insurance provider. If, for sound business reasons, you decide to do the job 'in house' then you must have the resources and knowledge to:

- gather credit and other trade information about existing and potential customers;
- research the country and associated risks;
- insist on the use of a Letter of Credit when starting new partnerships;
- understand the terms of delivery and terms of payment which you can negotiate;
- make use of a contract or distribution agreement to govern the transactions, of which you understand the implications in case of a dispute, and through which you can minimise risks associated with disputes;
- hedge against currency risks;
- examine the need for credit insurance, identify the most appropriate policy and investigate competitive products and services;
- manage the credit insurance policy and maximise any benefits.

If you decide to pursue this route, you will have to consider the financial and other impacts on your business. These include senior management ownership of the credit management strategy; the allocation of sufficient time, resources and money to do the job, and a review of your export catalogue prices.

You must remember to include the costs of 'in house' risk management and extending credit terms in your export quotes. Otherwise, a profit can soon turn into a loss as administrative costs eat into your bottom line.

Note: The International Chamber of Commerce (ICC) can provide you with all the relevant information about the International Terms of Delivery, the so-called Incoterms. The ICC also offers standard sales contracts or distribution agreements, which you can either use yourself as your official documents, or which you can use to benchmark the contracts that are being put forward by your trade partner. In case of a dispute, the ICC can also be called upon for arbitration. The ICC is represented in most countries by one of the leading national Chambers of Commerce and industry.

➔ More information on the ICC, Incoterms and standard contracts: www.iccwbo.org

What types of risk management and insurance services are available?
Depending on your type of business, the following products and services are available to you:

- Credit Insurer as Full Risk Management Service Provider: an outsourcing partnership with a Credit Insurer to identify and assess your business prospects and cover the risks on your exports. These services can be tailored to meet your needs by covering your entire sales ledger or just your larger accounts, or by operating within geographic boundaries, in relation to a certain product line, or in any of a host of other ways. This approach is primarily useful for exporters with substantial exports of a complicated nature, such as consignment shipments (e.g. perishable products) or distribution via an in-market bonded warehouse in the EU. This kind of full service support requires a tailored agreement;
- Specific order-based contractual support: a specific insurance policy structured for a particular deal. Such a policy will take into account any factors unique to the sales contract in question. Specific policies are ideal for contracts whose size or duration fall outside the normal pattern of your trade and your standard risk management practices. Insurance for individual contracts can be obtained from credit insurance companies;
- Venture-led Risk Management provision and consultancy: smaller or new exporters can use a Managed Credit Insurance scheme as a way of sourcing the credit control functions (obtaining country information, checking customer details and credit limits, going after overdue payments and making claims). A Credit Insurer can also provide you with advisory services right from the beginning and help you establish your payment terms before starting contractual negotiations with your new trade partner in the EU. The cost of these services are often included in the premium for the scheme.

How much will it cost?

Like all insurances (premises, employer's liability, business interruption), risk management and insurance services come at a price. Policies based on a specific risk are available and fees are usually on a 'one-off' basis. The fee is calculated on the basis of the specific risk in question, the credit period offered, your customer's country and the duration of the risk from the insurer's perspective.

There are also credit insurance policies and managed schemes that will cover all of your export turnover. Their fees are usually annual and are related to your estimated insurable turnover (the sales on credit covered). This means you and your credit insurer will have to agree on your target export turnover for any one year. Typically, you can expect to pay between 0.35% and 0.65% for this type of policy, depending on your products, customer numbers and the range of your export markets, your export trading experience, and your own credit management system. As is the case with all insurances, it is worth spending time researching the market and getting quotes from a range of credit insurance providers.

The costs quoted are based on typical policies available for small or new exporters wishing to cover sales with fairly short delivery and payment profiles.

✓ Fast Learner Pay-off

All risk management activities must be based on thorough research and executed by responsible and accountable leadership. Credit insurance is an important risk management tool to help you protect the payment of your overseas accounts and unlock the full potential of your export business. You should carefully consider including it in your global trading strategy.

9 Action plan

Action planning is the execution of your plan in order to enforce a stronghold in your new market. It is the final outcome of all the earlier stages of your export process. It is of tactical/operational nature. In action planning, (early) results should be realized in very short time spans. A fast and continuous flow of little business successes has an enormous impact on the complete market expansion project as a whole. It is felt by every employee, and will result in a strong market development momentum. Your company is on the move again and motivated by a new pioneer spirit. It will give a positive swing to all continuous performance processes in your company, increasing its competitive advantages and developing its added values in all veins of the organization!

So the next and final phase is to develop an action plan to get your exports (or expansion) rolling. This action plan must be based on your export audit and competitor analysis. It should provide a detailed overview of actions that are to be taken in order for your business to become competitive and to tap the opportunities, along with accurate schedules and costs. It must also, of course, support your overall objectives and strategies.

Consider a spreadsheet, detailing when key activities are to start and finish, and how they are to be dovetailed into each other. In order to facilitate executive control and prudent decision-making, it is advisable to include critical control at decisive moments that may lead to higher expenditure and/or a longer planning horizon.

➔ A sample action plan is integrated in the Export Marketing Plan builder on the CBI website at www.cbi.eu

Fast Learner 16

In this Fast Learner section you will learn how to set priorities for action planning on the basis of your accumulated gap analyses.

A thorough analysis of your research data (starting with your SWOT and culminating in an operational risk management system) and of the outcomes of the self-assessments of the Fast Learners will have made a lot of gaps visible. Each gap means there is work to be done, as a gap is the distance between where you are right now and where you intend to be at a certain moment in time. The CBI's EMP builder provides you with an action planner in Excel. You can insert your own gaps, alias action & control points, in the planner. The result is an inventory of action points, covering a substantial time period and, most likely, representing a substantial workload, to be divided among the members of your export task force. The question now remains as to where to start. It is time to start classifying the actions that represent relevant priorities.

In the implementation of a market expansion strategy you can use the Deming circle of activity staging as a tool for priority setting. This means following the management cycle of:

- Planning (objective setting)
- Doing (implementing)
- Checking (assuring)
- Acting (improving)

In going over the action steps that are to take your company through its transition towards international marketing, you may discover that you've been neglecting some of the issues calling for action. On the other hand, you may have find issues you've already been working on within your organisation, even up to the point of improvement after operational implementation. Now you could start by selecting all non-awareness issues and making plans for introduction & awareness creation. However, there is a very real risk that this approach will draw management attention away from issues that already have reached shop floor implementation. In fact, this approach to priority setting is wrong, as it will force you to spend a lot of precious time on corrective actions. There will only be time for planning if there is operational harmony on the shop floor. In other words, in prioritising actions, you first must complete the tasks at the end of the Deming circle and then work our way backwards to arrive at the Planning phase.

Deming circle

Act	From all of the actions identified, select the ones that have been assured already and look for ways of immediate improvement. In doing so, you will be implementing a Continuous Performance Improvement programme in your company and you will be able to visualise the improvements in a very short time. This motivational impact of this will be immense.
Check	Next, look for actions that have been implemented and attach an assurance process to them, for example by including them in your quality handbook and manuals.
Do	Identify actions that have been planned, budgeted and approved, and implement them.
Plan	Finally, start the planning process for newly identified gaps.

✓ Fast Learner Pay-off

By identifying and prioritising action steps with the help of the Deming circle, you will be introducing the philosophy of Total Quality Management in your company with the immediate impact of continuous performance improvement.

10 Budgets and forecasts

The last, but certainly not the least important aspect of the export marketing plan is, of course, your financial plan. You should include a section on financials that clearly demonstrates the effect your marketing activities will have on revenues and profitability. First, draw up an export sales forecast, covering a period of 1 to 3 years. On the basis of this forecast, make an export revenue projection, followed by a budget of export expenses. All of this will result in a profit & loss projection for your export venture.

➔ A sample set of financial planning spreadsheets has been incorporated in the Export Marketing Plan builder on the CBI website at www.cbi.eu

Fast Learner 17

In this Fast Learner section you will learn how to focus on quick results as a result of a sound cash flow and good profit margins.

First of all, you have to realise that both the forecast and the budget are sets of research-based data that show the investments required for your company to make money. Use the downloadable excel budget format provided by the CBI's EMP Builder to experiment with a systematic approach of markets and engage in unlimited number crunching.

The do's and don'ts of management by numbers

DO	DON'T
Take a three-barreled budgeting approach: • Optimistic (the sky is the limit) • Pessimistic (surviving in a period of recession) • Realistic (SMART and related to EU market recovery)	Start exporting if you cannot finance it with your existing cash flow
Keep your investments in relation to the expected short-term yield	Focus on returns by hoping that things will change soon and consequently keeping your investment and expense levels fixed
Focus on performance-related results, like sales promotions or quantity discounts	Try to polish your results by increasing prices
Think short-term gains and label the more ambitious programmes (your 'dream works') as activities for the longer term, depending on the possibility of cash flow financing by the new market	Forget to include a facility for earning a quick buck (opportunity business)
Calculate what every (extra) marketing Euro will convert in export sales	Forget about long-term B2B image building and the creation of goodwill
Be flexible and prepared to change market entries or supply chains that don't work	Ignore fresh data that contradict your current campaigns: react immediately
Discuss your actual versus forecast data regularly and adjust your budget in order to re-adjust the financial benchmarks	Do not accept so-called trial shipments on consignment or at heavy discounts. It will be very hard to change payment terms for repeat orders, if there are any.
Keep up-to-date with Key Performance Indicators and importer's expectations	In case of a new trade relationship, never sign exclusive distribution agreements or a longer term contract with a fixed price adjustment for one or more EU markets right from the beginning.

✓ Fast Learner Pay-off

By using your forecasts & budgets as your market performance cockpit, you can reduce the risk of being led by your emotions if marketing decisions that deviate from your original plans are called for. Always remember that turn-over is vanity, but profit is sanity!

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