

## 10 Ways Export Can Benefit Your Business

*There is a range of reasons for considering exporting, beyond the obvious 'we want to grow'.*

*The decision to export proactively is a significant strategic step in the development of your business. It will involve the allocation of time, effort and other resources, and you will want to justify this before committing. Consider some of the benefits and how they might apply to you:*

The following module offers a deeper insight into this topic:

### Why Export?

You can find it either in the SavvyAcademy or in the 'Get Started' area of 'Create Your Plan'.

Information you complete as part of the Module will be automatically entered into your Plan. The more modules you complete, the more your Plan will build.

### 1 More Customers

Is your ideal marketplace saturated with competition or your own product? – are you struggling to find *ideal* customers? There are many countries around the world where consumer bases are growing rapidly and offer real opportunities – especially for niche businesses.

### 2 Less Competition

As a mature market the UK market is generally very competitive. Certain overseas markets may not be so mature and because not large enough to attract wide attention, they may be less crowded whilst still being quite sufficient to meet your immediate aspirations.

If your competitors are already trading in certain overseas markets and you are winning business over them in the UK you can probably do this overseas too.

### 3 More Receptive Markets

Is the UK marketplace ideal for your product or service, or would it be more suited to certain overseas markets?

- Would the culture in an overseas market be more receptive to the benefits or the "fashion trend" offered by your products?
- Would the weather in an overseas market be more suited to the benefits offered by your products?
- Would the economy in an overseas market mean that your product is more affordable?
- Are there different market drivers in certain territories – for example, are there laws that would encourage the use of your products?
- If the market is less mature would they be receptive to older designs/ technology?

- Could this be an opportunity to move yourself into pole position in some markets?

#### **4 Seasonal Offset**

If your sales fluctuate seasonally you may be able to offset this by trading overseas. This will reduce the risk in your seasonal buying and prevent you having to run “end of season sales” for surplus stocks giving you a higher return on your stock investment. If you only enjoy high sales in the UK in one or two seasons due to the weather or specific festivals etc. you may be able to extend your trading period and sell over a full 12 month cycle – this will have the added benefit of allowing you to balance your resources all year round.

#### **5 Better Cashflow**

Lack of cashflow can be a major barrier when a business is growing. In some circumstances, it is quite acceptable for international business to be conducted without credit terms. Careful negotiation may help you preserve your cashflow and help finance your growth. In addition there are a number of credit facilities specific to Companies who are trading internationally offered by the banks and other organisations to improve levels of working capital.

#### **6 Improved Profits**

Some British Companies re-position their products to a premium brand position in overseas markets, creating the opportunity for premium pricing. This can still represent a good deal for the customer in countries where the standard of living is high or sales tax low.

Imaginative distribution may also improve profits – the introduction of licencing or core technology sales that add value to other products can return very lucrative revenue streams – often on a recurring basis.

#### **7 Less Risk**

By trading across a range of marketplaces you will reduce the risk of adverse market conditions affecting your business.

In addition to this, the business may enjoy **a wider base of revenue streams and profit centres** through a wider product base designed to satisfy an international marketplace. This product base could include the development of products associated with business opportunities for partners.

#### **8 Improved Residual Value of Business/Succession Strategy Options**

Businesses that trade in a range of marketplaces enjoy access to a wider customer base. Consequently the value of goodwill and IP residual on the balance sheet can often be higher.

Trading with overseas partners also gives a business owner more options for sale of the business.

## **9 Staying Ahead Of The Competition**

Many more companies are looking to international markets and you may want to “stake your claim” to a marketplace before your competitors do. If foreign competition is coming into the UK, you may want to compete with them in their own territory.

## **10 Collaboration Opportunities**

Trading overseas will inevitably introduce you to a wide range of potential trading partners – where a strategic alliance is formed (i.e. where the parties add real value to each other’s offering) these relationships can often develop into effective global collaborations.