

## How to Develop an International Business Strategy – Tips from the ISE Project

Careful planning is a crucial part of starting out in or expanding further with international trade. A well thought-out international business strategy can help focus activities and avoid any unexpected surprises. This guide covers some of the key elements that you may wish to consider if you're planning to expand internationally:

### 1. Market Research & Selection:

The world is a big place and it's sensible to focus on one or two countries or areas to begin with, but where? Consider starting in a nearby market or one which speaks your language. You may have already had international enquiries thanks to your website (check your analytics!) – if so, that may indicate that your product or service offer has potential in a particular country.

For help with market selection you can:

- Access support and guidance from local business support organisations
- Identify relevant professional and trade literature
- List existing useful contacts (partners / customers / others)
- Finding out about key international exhibitions/ trade fairs
- Find out if there is likely to be demand for what your business can offer

You can carry out more detailed market research online or by commissioning specific research activities through local international trade support services.

### 2. Competitor Analysis and identification of USPs:

Why would an international customer buy from you rather than a more local equivalent?

Once you've narrowed down your target markets, you can start to identify potential competitors (through online research, trade directories, trade show exhibitor lists etc.). Then you can focus on your strengths, unique selling points and what sets you apart. Work out if you can still offer an attractive proposition once you've factored in any additional costs (see below).

### 3. Review technical & legal barriers:

Whilst overcoming and complying with any legislative requirements and financial issues can seem like a daunting prospect, the right advice can help you negotiate your way through the process.

- Seek expert advice on any permits / taxes / duties that you may need to deal with in order to export
- There are various currency options and financial products available that can help you manage the risk in relation to fluctuating exchange rates
- Contact your bank or an international trade finance specialist to make sure that you can get paid
- Contact your local Chamber of Commerce for assistance with your export documentation

#### 4. Resource management (internal) & capacity:

The first months of international trading can prove quite resource intensive and it's important to ensure that you have the capacity to deal with a potential large international order or contract.

- Assign a member of staff to manage international export sales and marketing, potentially with previous export experience and relevant language skills.
- Assess any additional training needs including cultural awareness or language training your existing staff may require.
- Have procedures and management systems in place to cover staff members who are away on international business.
- Implement changes in staffing and systems to cope with additional demands placed on the business such as extended office hours to deal with customers in different time zones

#### 5. Adaptations for international markets:

Even within our nearest European neighbour countries, the business cultures can be surprisingly different but some background research into the following areas can help avoid any potential problems or misunderstandings. Your products or services might benefit from adaptations including packaging, labelling or design to ensure that it meets the needs of the international customer:

- Research the cultural dynamics of your target country or region - understanding this can avoid frustration and highlight and do's and don'ts
- Make an effort to learn some basic phrases in the language of your chosen market: greetings and introductions. It may be of benefit to take a trusted interpreter with you if necessary

#### 6. Identify additional costs:

Make sure that your product or service is priced to take into account any additional costs that could eat into your bottom line. Consider the following and how they will impact your international pricing:

- Insurances
- Duties
- Taxes
- Transport/ shipping costs
- Financial charges
- Potential exchange rate fluctuations

## 7. Market entry method

Work out how you will enter the market and what methods / tools you will use to sell your products or services. These could include:

- Direct sales
- Using a distributor or an agent
- Using e-commerce platforms (note that these might be unfamiliar in your domestic market but very prominent internationally)
- Joint ventures / partnerships
- Set up a base in your target market

## 8. In-market contacts

Who do you know / should you know in the market of your choice who can help you develop your international sales?

- Access 'in market' business support services which may be aimed at international companies
- Are there companies with a complementary offer you could work with for mutual benefit?
- Could you benefit from 'in market' support with marketing and promotion?
- Find out where your industry gathers physically and virtually and link in to these activities to develop a range of contacts

## 9. International marketing:

Your website is your window to the world. Ensure that you are visible in your target markets through:

- Targeted international SEO and using country specific URLs
- Considering the right social media and other channels in your market of choice – ensure that you can regularly create suitable content and respond to enquiries
- Review your communication content to ensure that it is culturally relevant and appropriate – take care with colours, imagery and make sure your brand names won't be misunderstood or cause offense
- Get any content professionally translated into the right language(s). Always take care with online translation tools as the results might not be 100% accurate!
- Ensure that you offer clear ways for potential customers to get in touch – simple things like a foreign language landing page and international dialling codes can make a big difference

## 10. Contracts & securing payments:

The most important thing for your business is to protect your payments and cash flow through robust contractual arrangements.

- Detail your payment terms and conditions clearly and seek help from your bank / legal services provider if in doubt
- Develop your International Commercial Contracts "Incoterms" to determine the responsibilities of the buyers and sellers
- Put in place any distribution and agency contracts and make sure you check that the conditions are being fulfilled in the international market.

### 11. Shipping / Logistics

If you are exporting physical products to an international market you will need to ensure you've investigated all available transport options and have chosen the most cost-effective method, taking into consideration the frequency of deliveries to your customers.

- Identify the best mode of transport for your product to ensure it arrives safely, securely and on time.
- Compare prices and conditions with transport companies / freight forwarders
- Ensure you know who has responsibility for your product once it leaves your premises and before it arrives with the customer
- Negotiate with clients regarding the frequency of delivery and minimum order quantities to ensure it is viable
- Try to find out if there are other local businesses shipping goods to the same destination to keep costs down

### 12. Aftersales services:

Once you've made a sale, you need to consider what happens in the event of a problem or where consumer support might be needed for maintenance, troubleshooting etc.

- How will you deal with international customer enquiries? Will you do this directly from your office or via an agent / distributor / 'in market' representative?
- Consider creating a partner support pack / dedicated web page / market specific helpline.

This template has been put together by the Innovative Sector Exchange (ISE) Project. More details about the project can be found here: [www.iseproject.eu](http://www.iseproject.eu)

If you have any questions or would like to speak to someone who can help you develop your international business strategy further, there are various Kent-based contacts or sources of information which can help. Find out more at: [www.kentinternationalbusiness.co.uk](http://www.kentinternationalbusiness.co.uk)

