



Getting Ready for Market

What to know before you go – Logistics, Customs and
Financing

Are you ready to be an Exporter?



Twenty-Five years ago, exporting took considerable effort

In 2019 – you can market your products and services without really trying if you have a website/online presence.

Even though it is “easy” for someone to order your product from other parts of Canada or around the world, are you ready to be a successful exporter?

Export Readiness Assessment



Lots of tools available – A number of organizations in the room can help. Online or in person - Think Export Committee...

Get your Export/Market Plan together – lots of assistance – service providers/ students

Exporting by the Numbers



According to worldstopexports.com, in 2018, Canada exported the following:

Products: \$450.7 billion

Services: \$92.9 billion – growing faster than products

Types of Services:

- Financial – banking, insurance, investment
- Transportation and Logistics
- Technology – software, R&D, data management, IT
- Resource and Development – mining, forestry, oil and gas
- Agriculture and Agrifood – technologies for feeding the world
- Professional and Education
- Travel and Culture

Risk Mitigation is Key to Success



Whether you plan to sell a product or service, there are many risks. Proper planning can help.

Checklist for Exporters- Internal Environment



- Export plan
- Getting paid
- Cash Flow
- Export license
- International pricing
- Inquiries/deliveries

Checklist for Exporters – External Environment



Key Contacts to Make

Banker/Funder/EDC – financing exports/getting paid

Lawyer – contracts

Accountant – financial issues

Freight forwarder/Customs Broker – shipping and paperwork

Insurance agent – insuring shipments

Checklist for Exporters – External Environment



Marketing

Sales – how will you find your customers?

Direct/Agent/Distributors

Advertising and Promotions

Do you have a program? Online/Trade Shows

Market Research

Packaging/labelling/size/name/packing

Products- target market/competition

Checklist - External



Transportation

Truck/Train/Air/Sea/Mail

Documentation

Certificate of Origin

Bill of Lading

Commercial Invoice

Packing List

FTA Paperwork – Consular Invoices

CFIA Certificate

Certifications...and the list goes on

Checklist External



Financing – How am I going to get paid?

Letter of Credit

Receivable Insurance

Buyer Credit

Foreign Exchange rates

Stable Currencies

Cash Flow for Increased Production

Checklist - External



Legal

Advice for your agreements or sales contracts

Protecting your Copyright/Trade
Mark/Intellectual Property

Dispute Resolutions

Other Considerations for Services



Services are dealing with people.

Four modes of delivery:

Mode 1 – Cross Border – call centres, IT, marketing

Mode 2 – Consumption Abroad- travel, health, education

Mode 3 – Commercial Presence – financial, legal,
distribution

Mode 4 – Movement of Natural Persons – trainers,
recreation, music performers

Developing Your Strategy



What do you want to sell?

Where?

How will you sell them/it?

Will you provide support?

Developing Your Strategy



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Automatic Zoom

Everywhere you export
The Canadian Trade Commissioner Service
tradecommissioner.gc.ca

**STEP-BY-STEP GUIDE TO
EXPORTING**

TCS

 Global Affairs Canada
Trade Commissioner Service

Affaires mondiales Canada
Service des délégués commerciaux

Canada 

The Art of Pricing



The feasibility of any transaction require exporters and importers to understand the costs and risks associated with any international transaction:

- Changes or product modifications
- Insurance on goods and transportation/payment
- Marketing costs
- Production costs
- Profit objectives
- Staffing
- Shipping and Distribution
- Competition
- Travel

Pricing Your Product



“Successful pricing is an art, not a science,”

John L. Leahy, Black and Decker

How will I price my product?

Does my price reflect product quality?

Is my price competitive?

Do I need to alter the product/packaging to sell internationally?

What type of discount and allowances should I offer customers?

What happens if my costs increase or decrease?

How will I get paid?

What are the import laws and customs requirements of where I want to sell?

Pricing Your Product for the Market



In Market Strategies

- **Static pricing**—is essentially, the same price for all customers.
- **Flexible pricing**—the same product is sold to different classes of customers at different prices
- **Penetration pricing**—uses low prices to capture a larger market share and benefit from expanded sales and improved economies of scale
- **Market skimming**—involves charging premium prices to selected segments of the market to maximize profits for a relatively low sales volume
- **Market maintenance pricing**—will aim to maintain market share by holding down prices despite the possibility of increased costs

Don't forget to check local pricing regulations such as anti dumping legislation

Figuring Our My Costs



Table 1.1 – Sample Export Costing Sheet

Categories / Items	Total
1. Product costs	
Raw materials	
Labour	
General manufacturing	
Modification costs	
Administration	
Domestic financing fees	
Less taxes refunded	
Total domestic cost	
2. Costs of sales and promotion	
Travel expenses	
Promotional activities	
Communications	
Translation	
Legal and negotiating expenses	
Export sales commissions	
3. Preparation for transport	
Labelling	
Export packing	
Marking cases	
Strapping costs	
Total price EXW	
4. Other costs of preparation for transport	
Consular invoices	
Other documents	
Freight forwarding	
Insurance	
Total cost (ready for transport)	

Know Your Incoterms



- “International Commercial TERMS” Exworks...CIF...FOB...DDP
- Registered trademark of the International Chamber of Commerce
- Internationally recognized
- Referenced in contracting and pricing
- Establish responsibilities of exporter and importer, as well as point of transfer of title
- States responsibility:
 - Shipping
 - Insuring
 - Title
 - Loss if goods cannot be delivered

Use a freight forwarder if you aren't comfortable with this.

New 2020 Incoterms are coming out soon...

Getting Paid



Always protect yourself when pricing your product for export. Build in insurance costs and settlement mechanisms to ensure you get paid even if the buyer decides not to pay you.

Getting product to your customers



Research your options. What makes sense for you and your customer?

Truck...Air...Ocean...Mail..

Cheapest is not always the best.

How fast does it need to reach your customer?

Lead times...product safety...experience.

Work with established freight forwarders.

Paperwork



Shipping and Customs Documents

How do you know what you need?

Every province and country are different.

Labelling



Understanding product labelling requirements in your destination country.

Are you legally required to use a specific language?

Does the product content and country of origin need to be included?

Do food products require nutritional labelling?

Do items need to be individually labelled?

Are weights and measures stated in local units?
(metric/imperial)

Successful Exporting



Doing the work now means you will
worry less later!!!!

Plan to succeed.