



Dear Betty Sue,

After taking your class *The Riddle of the Exporter™*, we know there might be some benefits for us in exporting. Our store, *Geeky Gastro Gadgets* in Frostproof, Florida, specializes in finding unique gastronomic gadgets from new inventors around Florida and the U.S. We carry items that range from a crawfish cracker, to a jalapeño seed remover to a foolproof sushi rolling kit. We are considering adding some

Florida seafood spice concoctions to the mix. Right now, we have a steady flow of orders and an increasing number of inquiries from clients overseas. One inquiry is from a kitchen specialty store in London that caters to expats.

How can we tell if exporting should be in our future?

Signed,  
Gastro Gal

Dear Gastro Gal,

Congratulations for considering exporting as part of your business strategy. Every company should, even if they decide that it's not in the stars. A decision to start exporting should take a little more consideration than looking into a crystal ball at the local fair.

A friend and colleague, Mr. Hal Jacobson who is an International Trade Specialist with SCORE and North Texas SBDC, is just the man that can help you map out your next step... or not. Mr. Jacobson is a wealth of information, having served as the VP of Quaker Oats International for 37 years with a slight break in the middle when he performed his service as WWII Air Force pilot. (He asked me not to mention that he was awarded the Purple Heart ...but how could I help myself?) He is semi-retired. In his spare time he works to help new exporters. So let's turn it over to the expert and let him guide us in determining our future.

Signed,  
Betty Sue, preferring fact to fortune telling

\*Disclaimer: The names of exporters and their stories have been changed to protect their identity. The names and expertise of our advisors are very real and often understated. The story is funny, the advice is authentic.

Dear Gastro Gal,

Glad you are taking a good look before you leap. I receive questions all the time from all over the country and listed below are five key considerations to help you determine if selling internationally is viable for your products and your company.

#1 Can your product be adapted to foreign markets?

- Can't sell a can of peas in Russia without multi-lingual labels
- If gadget involves electricity with 110/60V while the rest of the world is 220/50V, you've got a problem that a transformer can fix but do you expect your end user to buy a transformer in order to buy the item? I think not.
- Metricize-while major industries are already using the metric system, not everyone is and the rest of the world does.

#2 You must know your distribution channel

- Understand the distribution channel overseas: retailer vs. wholesaler
- Distribution channels are different for different target markets

#3 One size does not fit all when it comes to pricing

- Many new exporters want to use their domestic U.S. price. This doesn't make sense because it has domestic costs built in such as selling, marketing, advertising and delivery which are not part of the export costs
- Put into the price, only those costs involved in promoting and selling your product in the foreign market.
- Pricing has to be built separately.

#4 How are you going to collect the money?

- It doesn't do you much good to expand to new clients, if you don't know how you are going to get paid. Will it be by credit card or Paypal? Paid in advance sounds good but usually that is a deal breaker. How does one protect himself? Letters of Credit or Documentary Draft terms through the banking system are some of the customary payment methods.

#5 Cultural considerations

- Culture affects everything from translations to meetings to negotiations. Bad translations of brands and slogans are a deal breaker. Insensitive communications will derail the deal. Put in the time and effort to learn about your new client.
- In the worldwide trading community titles of the negotiating participants are important. Devise one that adds to your image. "Order Clerk" is inappropriate; International Sales Specialist works much better.

Good luck!

Hal