

# Sample Outline of an Export Plan

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# Sample Elements of an Export Plan

## 1. Introduction

*Lips L'amour is a spectacular lip balm providing maximum lip protection and flavor that includes a hint of wheat grass and kale. It is a healthier, more pleasant alternative to its mass-market competitors. After several years of successful Internet sales to domestic buyers, followed by the creation of a network of domestic distributors in 10 states and two Canadian provinces, we are ready to pursue international sales via an expanded web presence, including direct sales to distributors via popular e-commerce platforms, including one based in China and serving that market.*

*Our location in Venice, California, creates brand value by associating the product with images of youth, body-building, a clean environment, and social consciousness (we give five percent of profits to an international charity).*

Add additional information as necessary, but limit to a few paragraphs.

## 2. Goals

- *Use third party e-commerce sites to increase company sales by 15 percent in 2 years.*
- *Participate in markets outside the United States where 97 percent of buyers live.*
- *Improve product lines, marketing, and management by learning from discerning customers in the new markets where we will sell.*
- *Locate one distributor in two new country markets within 2 years of selling on the e-commerce sites.*

Add additional goals as appropriate.

## 3. Financial Resources

- *Annual capital budget of \$35,000, which will cover assistance finding distributors and participation in a government-sponsored trade show or overseas trade mission*
- *Three to five-year minimum commitment to these export channels*
- *A decent website which we will further internationalize it with the help of a consultant*
- *Translation of marketing materials*
- *A half-time staff position*

Add other resources as appropriate.

## 4. Non-financial Resources

- *Several staff members have traveled abroad.*
- *One staff member will take courses on how to export.*
- *One staff member will research free and low-cost government export assistance.*

Add other resources as appropriate.

## 5. Current Trends and Practices

- *Revenues have grown four percent over the past 4 years.*
- *Our product is sold via the Internet and through a network of domestic distributors.*
- *We have occasional unsolicited sales to individual buyers; a few inquiries from potential distributors.*

Add additional trends and practices as appropriate.

## 6. Production Capacity

- *We have the capacity to increase production 30 percent without additional capital investment.*
- *Investigate contract production at a nearby plant.*

Customize for your business and products.

## 7. Target Markets

- *Will pursue all leads generated from our website and e-commerce platforms, and will also investigate Singapore as a regional market for Southeast Asia*
- *Will investigate Singapore and other country markets for lip balm by using available market research, including research from the U.S. government sources*
- *Will look at the past 4 years for the effects of the recession and at the current year for signs of trends*
- *Will look at U.S. Free Trade Agreement countries for advantages created by zero tariffs on importation of qualifying goods*
- *Will look at shipments of lip balm from the United States to other countries and the average selling price to help determine where the most demand is and whether our company is price competitive*
- *Will look at market size, GDP, national debt, and currency reserves and projected growth and ease of doing business data from the World Bank, International Monetary Fund, and United Nations*

Customize for your company and products.

## 8. Risk

*Risk is mostly centered on non-payment, goods held up by foreign customs, or goods lost or stolen en route. U.S. government assistance vetting prospective buyers and our initial cash in advance policy help mitigate non-payment risks, and insurance covers other kinds of losses. As we get closer to finding one or more distributors, we plan to use the services of government export promotion organizations to avoid customs issues. By better understanding shipping and documentation processes, we will further minimize potential risk from customs issues.*

Customize risk profile for your business.

## 9. Credit Policies

- *Will require cash in advance via debit or credit card*
- *Will check with card issuer to make sure account is in good order before shipping goods*
- *Will consider and investigate providing terms for sales to distributors*
- *Will become familiar with letters of credit for use with larger orders from distributors*
- *Will inform buyer about policies related to paying duties and taxes*

Customize for your business and products.

## 10. Return Policies

- *Will provide full refund or replacement for lost goods or goods damaged in transit; website will reflect policy*

Customize for your products. For example, you might want to offer free shipping for product repair, or you might need to find someone in the market to repair the product closer to the customer.

## 11. Shipping

- *Staff will handle shipping tasks and will ship within 24 hours of receiving order and verifying payment.*
- *We will primarily ship by air and will select one or more express carriers; will also offer the U.S. Postal Service as a lower cost option for shipments weighing less than 70 pounds.*

Based on your choices of shipping companies, you might wish to customize this section.

## 12. Freight Forwarder

None needed at this stage of international sales development. But if you do need one, make a section and discuss in this section, addressing what you and your staff will do and what the forwarder will do and what it will cost.

If a freight forwarder is needed, especially if initial sales volume is large, contact the National Association of Freight Forwarders and Customs Brokers of America for referrals to forwarders in your area. A forwarder can also help you clear the goods at the port of arrival. Keep in mind that some of the largest freight carriers are also forwarders and customs brokers, offering these services worldwide.

## 13. Export Licenses

If your product needs a license, refer to the discussion earlier in Chapter 2. You can also contact the Bureau of Industry and Security or visit [bis.doc.gov](http://bis.doc.gov).

## 14. Health Certificates

*Depending on the country of destination, the product may require a health certificate issued by a state or federal government authority and based on the manufacturers' representation of product ingredients and/or a physical inspection of the facilities where the product is manufactured. Lip balm is considered a cosmetic and as such the U.S. Food and Drug Administration issues a certificate upon request.*

Customize this section as needed.

## 15. Language Laws

*Check to see which languages in addition to English the product packaging must include. Consumer goods such as lip balm may require that a list of ingredients and "Made in the USA" be printed in both English and the country's official language. For many non-consumer products, the shipper need only note on the commercial invoice where the product is made.*

## 16. My Product's Harmonized Code or Export Number (U.S. Schedule B)

*The Schedule B number for lip balm is 3304.10.000. The Harmonized Code number is the first six digits of the Schedule B number, 3304.10.*

Refer to Chapter 12 for the discussion on product codes. Add your code(s) in this section.

## 17. Intellectual Property

*I will investigate international protection for my trademark (see [uspto.gov](http://uspto.gov)).*

*I will investigate filing for patent protection in countries where I have distributors or retailers.*

Expand this section as it fits your needs.

## 18. Export Documents

*What are the documents I need to be familiar with including commercial invoice, bill of lading, and certificates of origin?*

Refer to Chapter 12 for the discussion on export documents.

## 19. Pricing

- *Our pricing strategy is premium product and premium pricing.*
- *We will offer to calculate the full landed cost to the customer purchasing one or more of our products. We will make it clear in our communications and on the website that the customer is responsible for paying all applicable duties, taxes, and shipping costs.*
- *For larger orders to, for example, Mexico, we calculate the cost of shipping one package at 25 cents per package including trucking, freight forwarder fee, documentation fee, banking fee, and insurance. With a market price of \$10 per package, minus transportation costs and distributor fee, we will be left with about \$8.75 to cover production, marketing, and profit.*

Add your customized pricing strategy and calculations here.

## 20. Website Tactics

- *Internationalize the site by adding text on your homepage welcoming international buyers.*
- *Add a currency converter on the homepage.*
- *Add text regarding duties and taxes and explaining that it is the buyer's responsibility to pay them. Include sample duties and taxes for select countries.*
- *Say that all prices are stated in U.S. dollars (or in Canadian dollars or euros) but make it possible for shoppers to use a currency converter link that is located next to each order placement button.*
- *Add international buyer testimonials (and photos) as they become available.*
- *Add shipping choices and consider including the U.S. Postal Service as a lower cost option.*
- *Include a clearly written returns policy.*
- *Invite inquiries from potential distributors.*
- *Consider click-through ads targeted at specific countries using specific key words.*
- *If product qualifies under an existing free trade agreement, include details on the website.*

## 21. Action Plan

Priority	Objective	Task	Resources	Schedule	Evaluation
1	Create or revise export plan	Review export plan template provided by SBA	Your time or staff time to write the plan	Over the next 3 weeks	Completion of plan
2	Internationalize website	Use template to identify enhancements; contact local U.S. Commercial Service office for advice	Task in-house or contract web folks	Complete within 30 days	Evaluate early WPG and other international transactions
3	Learn more about international transactions	Review WPG learning resources	Identify what you need to know and who in the company needs to know it	Complete within 60 days	Number of error-free transactions
4	Monitor transaction activities	Proactively spot sales opportunities	Identify staffing and scheduling	Start within 14 days	Number of sales leads via website or other channels
5	Develop database of international prospects and customers and e-mail new product offers	Create database and e-mail template for sending promotions; use social media	Identify staffing and frequency of messaging; include opt out	Start within 30 days	Number of messages; open rate; sales
6	Secure certificate from FDA if needed	Understand the process, turnaround time, etc.	Staff time	Complete within 14 days	Certificate in hand if needed by importing country
7	Determine whether product needs an export license	Review government lists	Staff time	Complete within 14 days	
8	Learn how to calculate duties and taxes	Review recommended links	Staff time; no charge for information	Complete within 14 days	Accurate calculation and communication to buyer
9	Use tariff code lookup	Identify tariff code for your products (HTS number)	Staff time; no charge for information	Complete within 14 days	Accurate completion of shipping documents
10	Establish pricing and returns policy	Calculate landed costs and make revenue projections	Staff time	Complete within 14 days	Establish revenue benchmarks
11	Meet your local government export resource	Understand the services available to your company	Staff time	Complete within 30 days	Value of assistance provided
12	Research a new market	Review recommended links in <i>A Basic Guide to Exporting</i>	Staff time	Complete within 120 days	Go or no go decision
13	Travel to the market with help from your government export resource	Meet potential distributors	\$4,000	Complete within first year	New revenue