



### **Preparing to export and export readiness assessment tools**

Exports are exceedingly essential to modern economies as they offer businesses and firms wider and larger markets for their goods and services. In addition, exporting can be highly profitable and may strengthen an organisation's business operations if executed well. However, engaging in export business can be a challenging activity, complicated by factors such as distance, different social, cultural and economic conditions as well as different government regulations.

It is against this backdrop that one of the Zambia Development Agency's (ZDA) objectives is to help Zambian enterprises both small and large to explore foreign markets and establish sustainable export business. The Agency employs various strategies and tactics in order to achieve the desired results such as export readiness trainings, trade missions, participations in international trade fairs and exhibitions, market research, policy advocacy and many others.

#### **Export readiness assessment**

The most important question a business must ask itself is whether or not its export ready. In this case, an export readiness assessment can assist a company in achieving its export objectives. This kind of analysis looks at the characteristics of the products or services the firm offers that boost the likelihood of a successful international sale.

#### **Preparation for entering a new market**

The first task is to narrow down the number of potential markets to approximately five or even three primary target markets. These can be preliminarily identified through the statistical information and reports received from government sources or a Trade Tool under International Trade Centre (ITC) Called Trade Map. Trade Map provides information in the form of tables, graphs and maps - indicators on export performance,

international demand, alternative markets and competitive markets, as well as a directory of importing and exporting companies. Trade Map covers 220 countries and territories and 5300 products of the Harmonized System.

After narrowing down the target markets, proper market-entry strategies must be selected and the international marketing plan drafted. Critical to the export development process is the ability of the firms being able to communicate to prospective foreign buyers. A basic way that this can be done is with marketing support programs and business information sheets. These generally include an International sales program, distributor application form, and a business financial information form. These forms serve as communication tools for negotiations with overseas prospects.

These actions could then serve as criteria for determining if a company is "export ready." Once the decision to begin exporting has been reached, the next thing is to evaluate the company. The following inquiries will assist in determining what has to be done in advance of exporting:

- Does the business have a plan include exporting?
- Does the business have a target markets in mind?
- Does the business have experience with selling outside?
- Is the business familiar with export service providers and requirements?

### **Export related expenses**

There are numerous expenses related to exporting such as purchasing insurance for contract cancellations, non-paying overseas clients, and shipping losses.

### **Choosing target market**

In order to be successful in the export market, a firm must also make it a point to visit the target markets. In addition, a company can consider participating in trade fairs or meetings outside of the target market to meet potential customers.

Before choosing a new target market, the third phase entails taking a deeper look at the business' current market and financial situation. What demographics make up your

clientele, and who are your rivals? Determine what needs to be changed in order to reach your new market by contrasting your home market with your new target market.

The demographic that your company typically targets varies depending on the market. Not to mention, it's time to evaluate your good or service. It is a good idea to limit your options because some markets are easier to break into than others. There can be limitations and laws that are different from those in Zambia, depending on your new market and your business.

In a nutshell, the following questions will help assess whether your product or service is prepared for export:

- i. Does your company abide by the rules of your new target market? If not, can you overcome the gap with ease?
- ii. Does your product or service need to be certified in any way? Is it acknowledged globally?
- iii. Are you able or ready to alter your product or service to cater to a different market?

Before you decide to commit to exporting, use some form of an export readiness checklist. It is hardly an exhaustive list, though. Consult the Zambia Development Agency to take part in the export readiness trainings for a more thorough understanding on export readiness. Keep in mind that becoming export ready is a long process and patience is key!

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