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## EXPORT STRATEGIC PLANNING

## A close up of a logo  Description automatically generatedCOMPANY OR SITUATION ANALYSIS

### **Domestic Business Overview**

This section is all about explaining your company’s situation at this present moment in time. Write a very brief history of your company and explain the key factors which made the business a success in Canada.

#### **Company Profile**

The full company profile should be written in your main business plan. The export plan will only focus on elements which will have a direct or indirect impact on the export strategy and/or results. This includes:

1. **Company Structure** – incorporated, sole proprietor, partnership, any foreign divisions/branches, number of employees (could include an org-chart), etc. By reading this section, the reader should have a clear understanding of the size of the company, management and relationships between departments.

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***Describe your company current structure and relations between departments***

1. **Product/Service Description** – activity (manufacturer, distributor, digital services, etc.). Includes the key features and competitive advantages of your products or services that make them attractive to potential export customers.

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***Describe your sector focus, products/services to be exported, product(s) classification (HS codes), patents (existing and required). Include pictures, diagrams or photos if applicable.***

1. **International Experience** – current exporting status, where, when, to whom, etc.

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#### **Company resources**

Key resources are the building blocks your business need to function. Expanding globally will increase operational demands on all aspects of your company. Assess carefully all the resources you currently have and/or have access to within a very short time period to support the build-up towards international growth and the subsequent sales, production, delivery and conclusion of new business.

Once you’ve assessed the resources available to your company, it will become clear the gaps that need to be filled. Describe thoroughly the additional resources your company needs to access to support your international growth. These include financing (angel investing, debt financing, risk covers, funding & grants…), HR (additional manpower, training, consultancy, expert skills such as legal, tax or accounting…), physical (processes, IT, space, manufacturing, freight and supply chain management…) and intellectual resources (IP protection, branding reinforcement…).

1. **Financial Resources**

As your company expands internationally, a significant amount of financial resources will be needed to finance your growth in the short, medium and long term. It is critical to have a clear outline of your company’s financial status before approaching new potential financiers. It’s also crucial to understand what additional resources your company needs (angel investing, debt financing, risk covers, funding, grants…).

* Internal: Describe the company’s flexibility to meet short-term debt obligations, finance up-front costs linked to market development.
* External: What is the company’s ability to raise financing/lines of credit? List the company? Engage in a JV/partnership? Does your company have risk management tools?
1. **Human Resources**

People will be what drive your business and ensure success. The company’s strategy and structure will be designed by people, they will fill the roles and ensure the processes are aligned to ensure the company achieves its export plan goals. To address gaps in HR, consider what additional manpower, training, consultancy, or expert skills such as legal, accounting etc. you may require.

**Strategy:**

* High-level assessment of current HR competencies in and outside the company in relation to the expansion plan
* Create vision/strategy of skills/competencies & experiences necessary for expansion

**Structure:**

* Analyze existing roles and describe how your current internal and external HR resources will be deployed in your expansion plan. Examples of Internal vs. external are:
	+ - Internal: appointing/identifying a person who will be responsible for implementing the export strategy i.e. an export manager. In addition, make use of the export experience of staff within the various departments to be applied towards achieving the expansion strategy.
		- Internal: what roles need to be filled etc.
		- External: identify outside resources such as freight forwarders, trade commissioners, legal counsel, distributors, brokers, in-market sales agents etc. Could be ones used in past exports.

**People:**

* Develop/adjust job descriptions to include expanded responsibilities for current staff and new responsibilities for new roles needed to fulfill expansion strategy.
* Ensure you are attracting the best talent. Make sure to conduct compensation market reviews for positions when calculating salaries, promotions, bonuses and profit sharing.
* Be sure to make considerations for needed training requirements & development plans that are aligned with your overall HR strategy and structure.

**Process:**

* Develop processes which will be the tools you will deploy to deliver on your strategy.
* Include tools on how you will review, assess and control the performance of the staff involved in your export implementation; including KPIs and motivators.
1. **Physical Resources**

Physical assets such as manufacturing facilities, buildings, vehicles, machines, point of sale systems, processes and distribution networks are all key business functions. As you grow internationally, most levels of your supply chain resourcing & service management chains will likely have to be adjusted to meet new demand and requirements.

\*Note: this section applies to both product and service-based co­mpanies.

* Internal: Do you have enough production/storage/skill capacity for your increased sales? Do you have in place efficient processes to enable the company to scale-up?
* For *Product* companies: Could new product lines impact production and capability? Do you have a reliant freight forwarder?
* For *Service-based* companies: Do you have the resourcing to fulfill increased demand in that export market?
	+ - External: Are your suppliers/service partners local? Do your suppliers have direct distribution in your selected market(s)? Can your suppliers handle increased volumes/new products? Are you overdependent on one or two suppliers?
* Outsourcing: While latest trends in international trade are going towards outsourcing manufacturing and service-related functions, the pros & cons of such measures must be carefully weighed.
1. **Intellectual Resources or Intellectual Capital**

Intellectual capital is the intangible value of a business. Resources include brands, proprietary knowledge, patents, customer databases, copyrights and relationships. It is the sum of everything that everybody in a company knows that gives it a competitive edge. Intellectual resources take time to create and develop and are key company assets, even though they are not reflected in the company balance sheet. Address gaps in IP protection and trademarks for your target market.

***Assess carefully all the resources you currently have and describe the additional resources your company needs to access to support your international growth***

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|  | Internal Resources (existing and required additional resources) | External Resources (existing and required additional resources) |
| ****Financial********Resources**** |  |  |
| ****Human********Resources**** |  |  |
| Physical Resources |  |  |
| IntellectualResources |  |  |

#### **S.W.O.T. Analysis**

(As it relates to exports)

To achieve your strategic objectives abroad, your company needs a range of resources, skills and capabilities. A S.W.O.T. analysis is a very valuable tool to assess your company situation. By defining your company’s strengths, weaknesses, market opportunities and threats **relating to your export activities**,
you will create a clear description of your company’s current state.

Areas you should be thinking to include are:

* **Production** - How cost-effective are your company’s production processes? What is your company’s overall efficiency, effectiveness and productivity? Will capacity keep up with growing demand coming from new markets?
* **Marketing & Sales** - Does your company understand your target market(s)? Are sales being supported by an aggressive approach to promotion?
* **Distribution** - Does your company employ advanced logistics techniques? Does it enjoy extensive and effective distribution channels abroad?
* **Financial** - Does your company have access to a variety of sources for financing? What levels of financing are available to you? Do you generate significant cash flow to finance your expansion?
* **Management** - Is management able to direct change in the organization? What is the depth of export experience in the business? Are turnover rates manageable or are they disrupting continuity in the organization?

Complete the table below with bullet points.

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| Strengths (internal, positive factors)*What you do well - competitive advantage?* | Opportunities (external, positive factors)*What market conditions help you out? Market share, currency advantage, consumer preferences/cultural similarities* |
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| Weaknesses (internal, negative factors)*What operational issues will hurt your growth? These are key challenges you will have to address throughout your plan.* | **Threats** **(external, negative factors)***What export market conditions will need to be overcome? Logistics, currency risk, brand awareness, political risk* |
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## EXPORT STRATEGY

#### **Why Exporting**

There are many reasons why a company can decide to expand internationally. Some of the most common reasons are a need to increase revenue, margins, or profits, improve productivity, beat your competition, extend product life cycles, flatten product seasonality and many more. In other words, **what will your company gain from exporting?** Whichever the reasons, the goals behind going global should be well understood as the tools and tactics you will be using might differ.

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***Identify the key factors that have influenced your decision to export.***

#### **Defining Exports Goals and Objectives**

There is a significant difference between goals and objectives. Setting and using clear objectives and defined goals are strategies you can use to increase the success of your company. In short, goals are the outcome you intend to achieve, whereas objectives are the actions that help you achieve those goals.

1. **Goals:** goals are short and broad statement of desired outcomes to be accomplished over a longer time frame, usually three to five years. It does not describe the methods used to get the intended outcome.

Some common examples of business goals for your company could be:

* Maximize profits
* Grow revenue
* Increase efficiency and profitability
* Become the industry benchmark in your field
* Strengthen your brand
* ……
1. **Objectives:** Objectives are specific, actionable targets that need to be achieved within a smaller time frame, such as a year or w few months, to reach a certain goal. Objectives describe the actions or activities involved in achieving a goal.

Some common examples of business objectives for your company could be:

* Increase overall business revenue by 15% this fiscal year
* Reduce transportation costs by 10% within the next 2 years
* Reduce response time to customers’ enquiries down to 24h by the end of the fiscal year.
1. **How to differentiate between goals and objectives**

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|  | **GOALS** | **OBJECTIVES** |
| **Order** | Refers to the mission of the organization | Set for the accomplishment of the goals |
| **Scope** | Goals are broad in nature and not being measured in quantifiable units.  | Objectives are narrower than goals and are described in terms of specific tasks. |
| **Specificity** | Goals are general statements of what must be achieved. They do not specify the tasks that need to be performed to accomplish them.  | Objectives are specific actions one takes within a certain timeframe. |
| **Tangibility** | Goals are usually intangible and non-measurable | Objectives have tangible targets |
| **Timeframe** | Goals are set to be achieved over a longer period. A goal is usually divided into several objectives spread over multiple time frames. | Objectives are meant for a shorter time frame.  |
| **Language** | Describing goals focuses on overall strategy and conceptual thinking.  | Objectives are much more detailed and nearly always include quantifiable targets. |

1. **Benefits of setting clear goals and objectives**

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| **GOALS** | **OBJECTIVES** |
| Help you set priorities for your company | Helps measure your progress towards achieving your goals |
| Support your decision-making process  | Creates a sense of achievement and motivates you to move further towards your company goals |
| Help the whole company focus and move in the same direction | Confirms your overall strategy is formulated correctly |
| Helps the management team with investment/R&D decisions | Helps you make difficult decisions in difficult situations |
|  | Helps your team set targets and motivates staff |

***Set clear export goals and measurable objectives for your company (1-2 full pages)***

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|  | Goals | Objectives |
| Short Term **(next 2 years)** | *Example:**Increase profit margins* | *Example:** *Reduce operating costs by 15% in the next 12 years.*
* *Increase sales volume by 20% in 18 months.*
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| Medium Term **(2 – 4 years)** | *Example:**Deliver high-quality upgrade services and ensure that customers are satisfied.* | *Example:** *Ensure that 90% of upgrades pass quality assurance the first time and 100% of the inspected upgrades meet quality standards*
* *Implement systematic customer satisfaction feedback by end of quarter 2 to increase the average rating from 7 to 9.*
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| Long Term **(4+ years)** |  |  |