



Information Sheet:

Defining Export Readiness

Finding a starting point for exporting can be a problem for the small businessperson. They want to know if there is a market for their product overseas, what kind of competition they face, and the amount of sales they can expect. Answers to these questions usually start with identifying markets where they should focus their efforts. Once *primary target markets* have been identified, they need to identify whom to contact in a foreign market that might be interested in their product.

Preparation is essential for any firm contemplating a new market, whether foreign or domestic. Before beginning any new venture a business plan should be completed and *management commitment* confirmed. The same preparation is necessary when selling overseas. With more than 117 markets available, an *international marketing plan* is necessary to focus the efforts and resources of the firm. Normally the first task is to reduce this huge market potential to approximately twenty primary target markets. These can be preliminarily identified through the statistical information and reports received from government sources, particularly in the National Trade Data Bank. Then the proper *market-entry strategies* must be selected and the international marketing plan drafted.

Critical to the export development process is the ability of the small business to communicate to prospective overseas 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 steps then can be criteria by which a firm can be considered “export ready.” They serve to define “export readiness” for a firm as:

- Management commitment
- Identified primary target markets
- Selected market entry strategies
- Developed international marketing plan
- Prepared programs and forms to select and serve international distributor prospects