

EXPORTING
IS

GREAT

BRITAIN & NORTHERN IRELAND



EXPORT GUIDE



HM Government



**EXPORTING.
WHAT'S IN IT FOR ME?**

EXPORTING. WHAT'S IN IT FOR ME?

You're right to ask.

When you're working hard to make your business a success, you need to know that every decision you make is the right one for you, your business and your future.

Every company's experience of exporting is different. But the good news is that - whatever your size or sector - the rewards from selling your products and services overseas can be huge.

Trading abroad can boost your profile, credibility and bottom line. That goes whether you're trading with established partners, such as the EU and USA, or high-growth markets like Brazil, China, India, Colombia and Vietnam.

International markets like these offer you access to new customers, revenue and ideas. Crucially, they enable you to spread your business risk, increase the commercial lifespan of your products and services and secure economies of scale not always possible at home.



And research confirms that exporting companies are more productive, innovative and resilient to economic downturns than non-exporters.

You're already competing successfully with international companies here at home. So why not take that final leap to markets overseas?

Exporting is GREAT exists to help you get there.

Visit www.exportingisgreat.gov.uk now to access live business opportunities around the world, training sessions, business seminars and other events, as well as specialist trade services and support.

THE DEMAND IS OUT THERE. YOU COULD BE TOO

While the USA and the EU remain the UK's largest trading partners, high-growth countries such as China, Brazil and India are becoming increasingly important export destinations. Characterised by rapidly rising populations and GDP levels, all expect significant import growth between now and 2018.

This growth is in part due to the rise of the global middle class. The Organisation for Economic Co-operation and Development (OECD) forecasts that this will double to almost five billion by 2030, presenting a major opportunity for UK firms like yours to export the types of high-quality products and services at which we excel.

Take Latin America. UK exports in goods to Brazil alone were worth over £2.4 billion in 2014, while exports to Mexico and Colombia grew 26% and 27% respectively compared to last year.

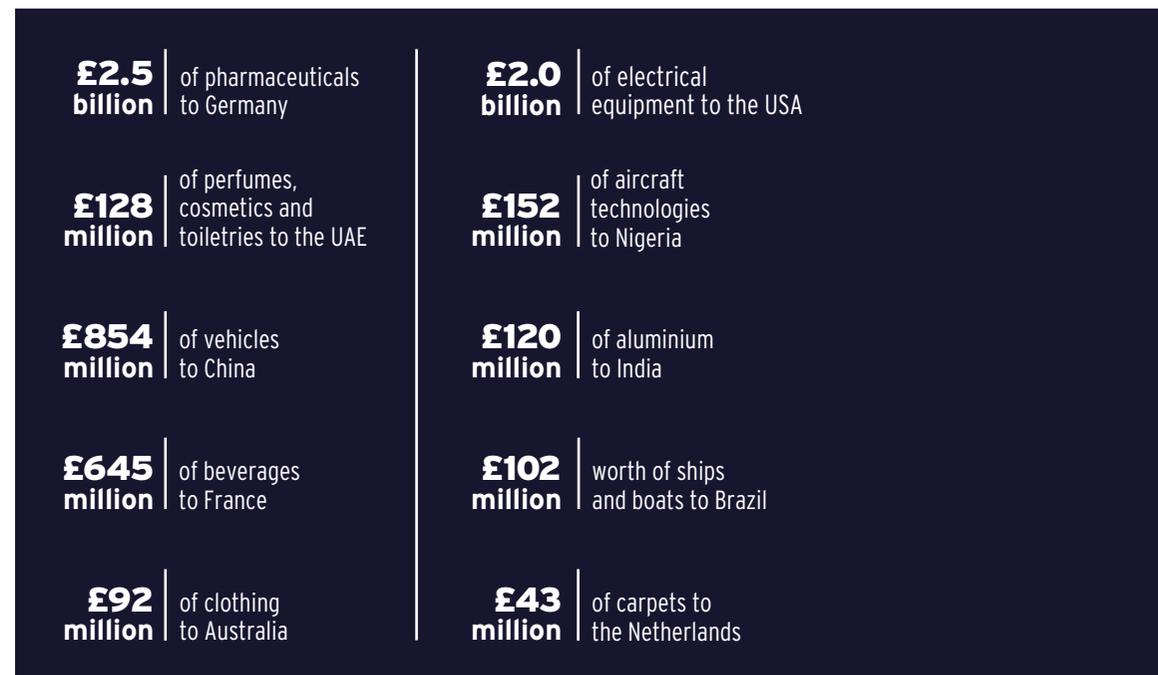
In China - where UK exports have grown by 52% since 2010, there is an increasing demand for UK expertise in sectors such as environmental design, healthcare, professional services and many more.

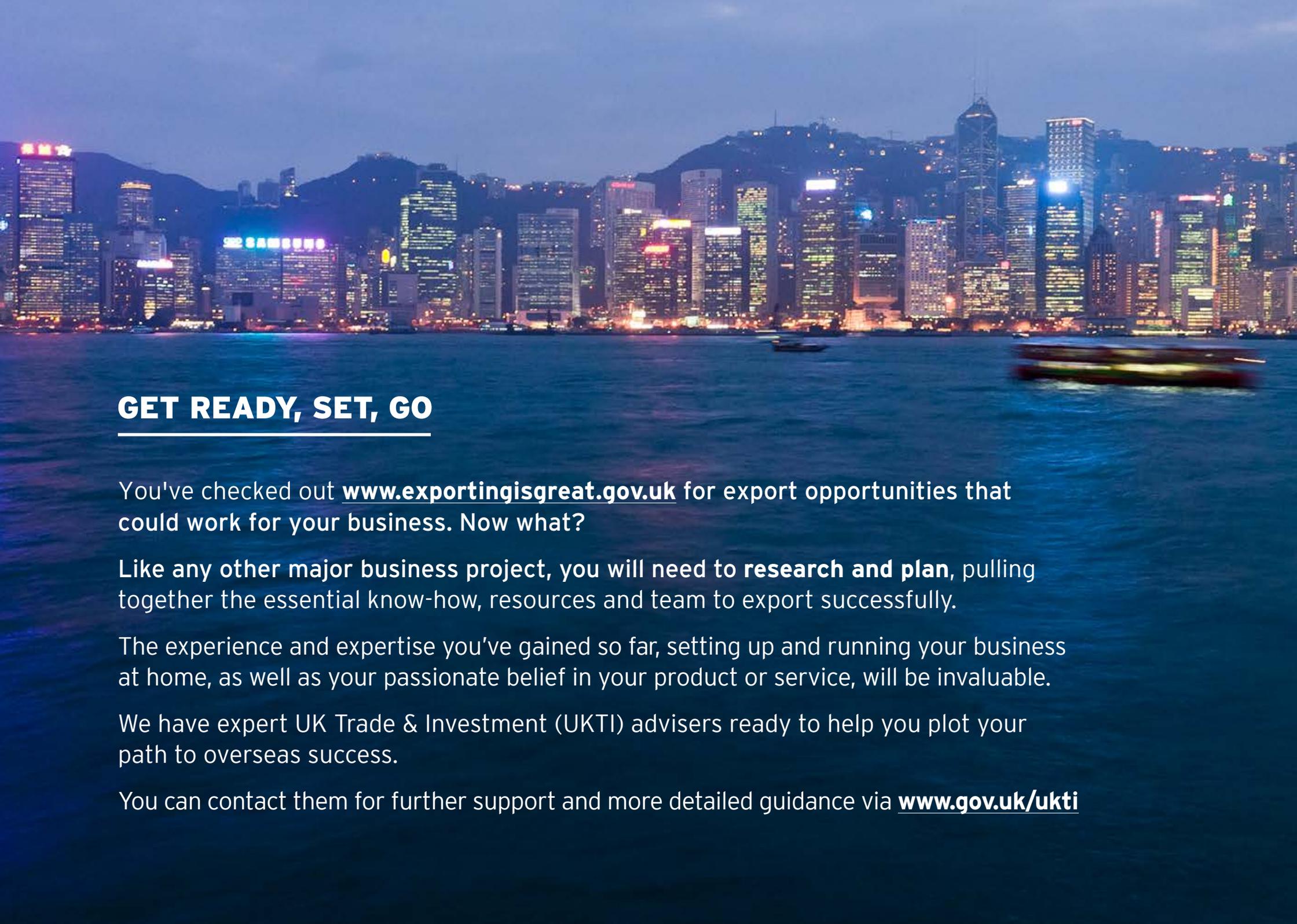
Closer to home, the Central European import market is now worth £500 billion, opening up numerous possibilities for the

UK's small businesses. The UK brand is widely recognised and respected there. In fact, there are 100 million consumers in the region who, in the next 15 to 20 years, will be looking for the innovation and value UK companies can provide.

Wherever you choose to begin your export journey, you can find a ready market for UK goods and services.

For example, in previous years UK companies have sold:





GET READY, SET, GO

You've checked out www.exportingisgreat.gov.uk for export opportunities that could work for your business. Now what?

Like any other major business project, you will need to **research and plan**, pulling together the essential know-how, resources and team to export successfully.

The experience and expertise you've gained so far, setting up and running your business at home, as well as your passionate belief in your product or service, will be invaluable.

We have expert UK Trade & Investment (UKTI) advisers ready to help you plot your path to overseas success.

You can contact them for further support and more detailed guidance via www.gov.uk/ukti

PREPARE THE WAY



PREPARE THE WAY

RESEARCH YOUR MARKET

**The world's your oyster. Where do you want to go?
The best place to start is with research.**

As a starter for ten, you will find a country guide with every business opportunity advertised on www.exportingisgreat.gov.uk

The basics you need to understand are:

- Your industry's structure
- The market's culture
- Your competition
- Your market niche
- Any modifications you need to make to sell your product or service there

Overseas events, trade fairs or trade missions can be another useful way to familiarise yourself with your target market before you fully commit. They can help you meet potential customers, agents and distributors and make sales.

CULTURE

If you're going to export successfully, then you need to understand the language, traditions and ways of doing business in your new market. By making this a central part of your research, you can help to build your new customers' trust and confidence in your company.

For example, if you or your employees don't already speak the language, you could either learn, or hire an interpreter to help you. This kind of inside knowledge helps highlight particular phrases or words that differ in meaning from country to country.

Every UKTI regional team has an expert Language and Culture adviser on board that can help advise you on the right approach to take.





PREPARE THE WAY

CHECK IF YOU'RE READY

As you research, you also need to identify how ready your business is to export.

You need to ask yourself...

- 1** What are my unique selling points? Is there a demand for my product or service in this market?
- 2** What are the legal issues I need to consider?
- 3** Where in the market (country, region, sector or segment) should I start?
- 4** Do I have the resources - finance, time, expenses and skills - I need to deliver this project?
- 5** Who will be leading this project in my company?
- 6** Do I need to work with an overseas partner to succeed? Can I communicate with them effectively?
- 7** Have I evaluated the potential business risks (e.g. protected my intellectual property), completed my research and conducted due diligence?
- 8** What do I need to do to get paid and deliver my products on time?



MAKE YOUR PLAN

MAKE YOUR PLAN

BE CUSTOMS SAVVY

Every country has its own tax system, covering issues such as sales tax. As you export, it's critical that you understand these rules and comply.

Speak to HM Revenue and Customs and your accountant as early as possible. You can also find comprehensive guidance to help you at: www.gov.uk/topic/business-tax/import-export

PROTECT YOURSELF AND YOUR IDEAS

Similarly, you need to know what your legal obligations will be in this new market. This includes local laws, product standards and regulations. For example, in some countries, you may need to modify your product, packaging or even get your goods inspected and approved before they can be sold there.

UKTI trade advisers are on hand to help, as are our experts posted in UK Embassies and High Commissions around the world.

Remember your intellectual property (IP) is one of the most valuable assets that you own. So it's critical that you have an understanding of how IP rights vary across your markets. Basic support and information, as well as business tools from the Intellectual Property Office (IPO) are freely available for you to use at:

www.gov.uk/guidance/seeking-intellectual-property-advice

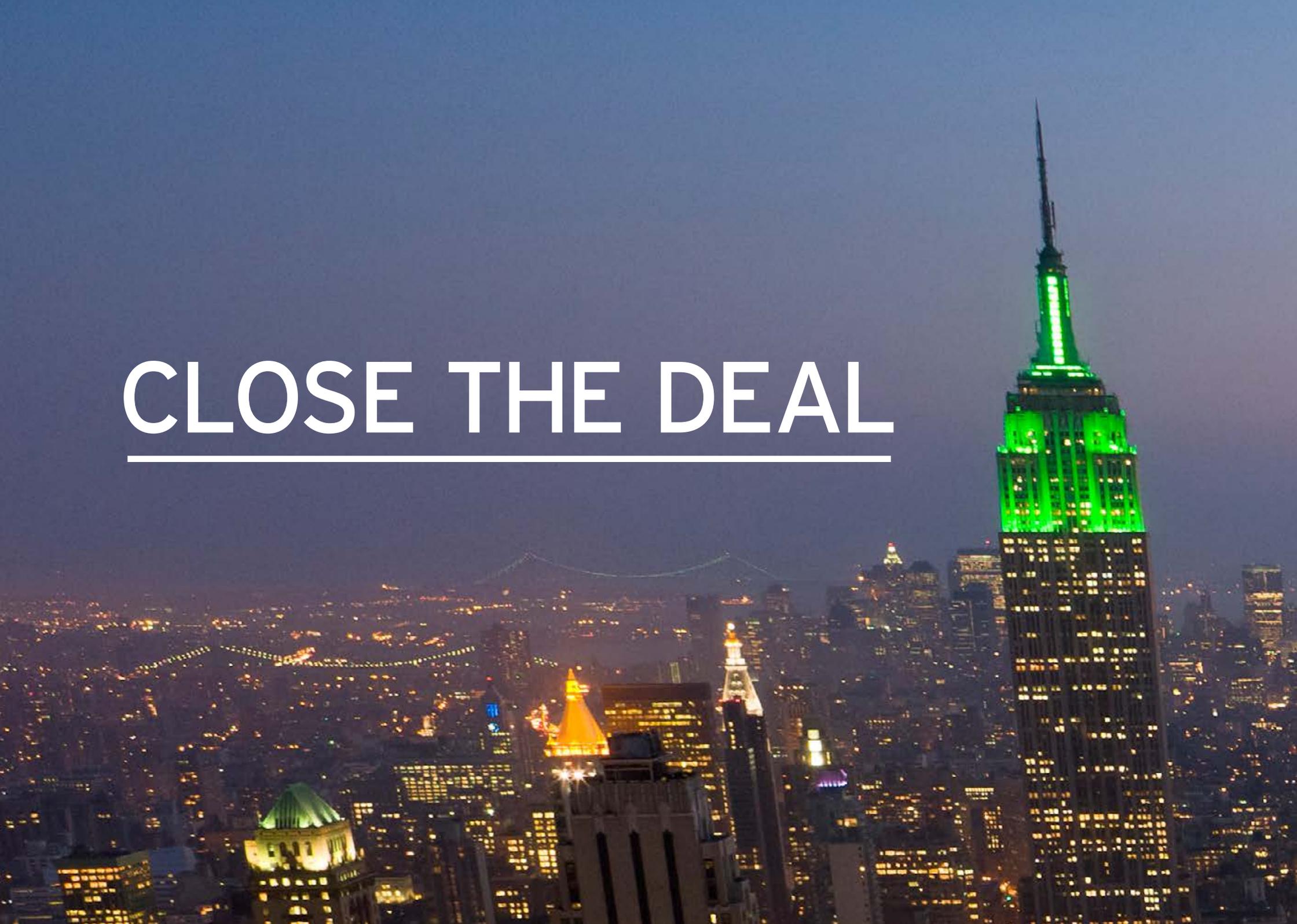
WRITE YOUR EXPORT PLAN

Once you've completed your initial research, you need to write your export plan. This sets out how you will break into your new market.

It should include:

- A marketing strategy to help you develop your overseas trade
- Any modifications you need to make to your product or service
- Your preferred route to market - the most cost effective and efficient distribution channel for your products or services
- Your chosen business model - agent, distributor, Business-to-Business (B2B), sales office, joint venture or subsidiary company
- The necessary financial resources including an understanding of export finance and export payment mechanisms
- The right people to help you develop your new export markets
- Relevant information about your chosen market

CLOSE THE DEAL



CLOSE THE DEAL

SORT YOUR FINANCES

If you are looking to grow your business overseas, then you need to find the finance to fund it, e.g. extra investment for customisation, advertising, research and other essentials.

Talk to your accountant and bank manager as soon as you can to discuss your options.

It's important to take a long-term view. This includes being realistic about the time it will take you to get established and make a profit in your planning, so you have the resources you need to keep going.

UK Export Finance (UKEF) can also help with specialist support and advice about export finance. UKEF provides insurance to exporters, guarantees to banks to share the risks of supplying export finance and, in certain cases, makes loans to overseas buyers of goods and services from the UK.

You can find out more at: www.gov.uk/uk-export-finance

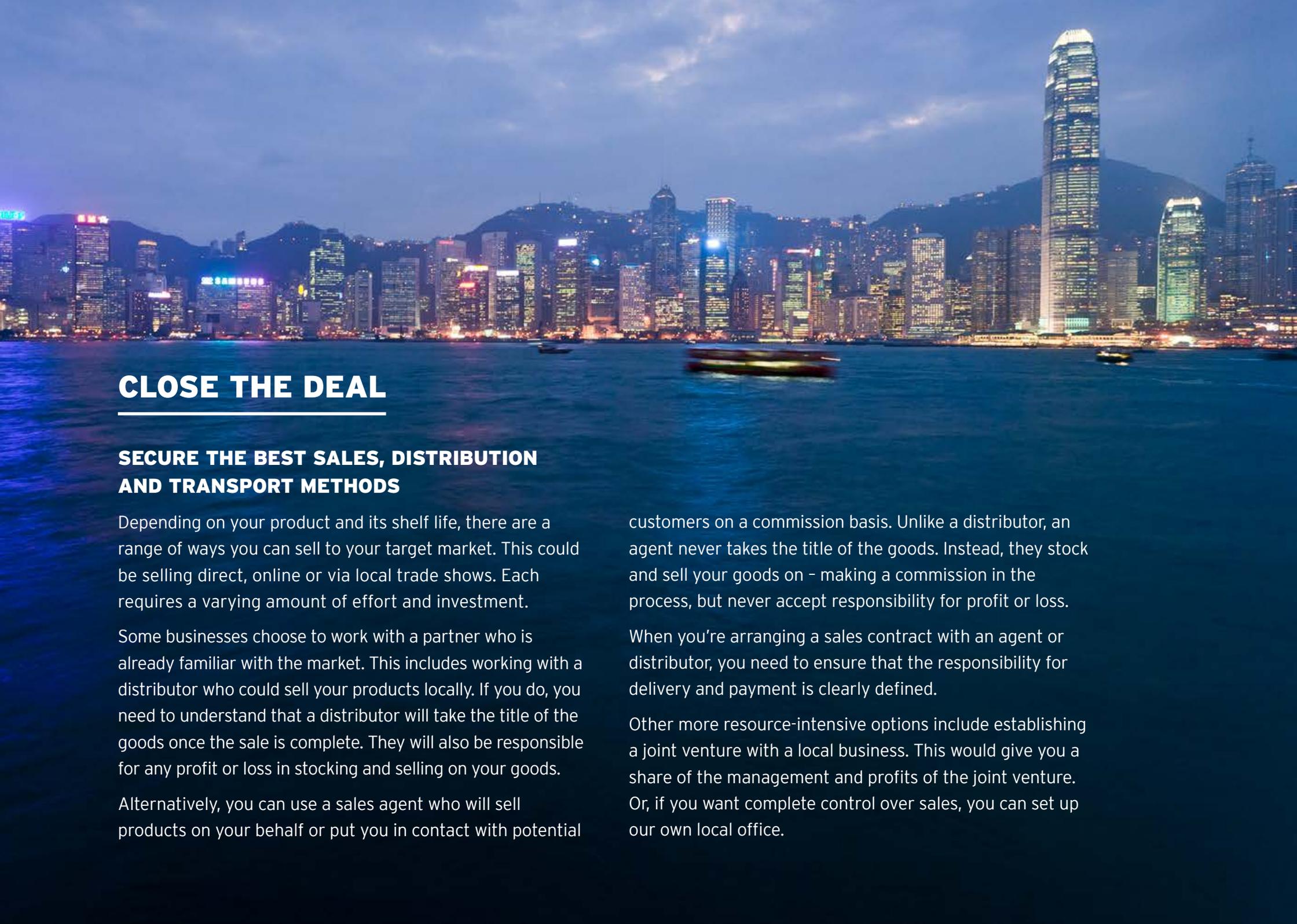
MODIFYING YOUR PRODUCT/SERVICE AND MARKETING

If you've done your research properly, you'll know if you need to modify your product/service or marketing to fit your new market.

It's critical you meet local product standards and regulations, as well as reflect the personal preferences of your international consumers and lessons learnt from your competitors.

BSI, the UK National Standards Body, reaches across the international standards community. Working with clients in 172 countries, it can help you with certification, guidebooks, training and much, much more at: www.bsigroup.com





CLOSE THE DEAL

SECURE THE BEST SALES, DISTRIBUTION AND TRANSPORT METHODS

Depending on your product and its shelf life, there are a range of ways you can sell to your target market. This could be selling direct, online or via local trade shows. Each requires a varying amount of effort and investment.

Some businesses choose to work with a partner who is already familiar with the market. This includes working with a distributor who could sell your products locally. If you do, you need to understand that a distributor will take the title of the goods once the sale is complete. They will also be responsible for any profit or loss in stocking and selling on your goods.

Alternatively, you can use a sales agent who will sell products on your behalf or put you in contact with potential

customers on a commission basis. Unlike a distributor, an agent never takes the title of the goods. Instead, they stock and sell your goods on - making a commission in the process, but never accept responsibility for profit or loss.

When you're arranging a sales contract with an agent or distributor, you need to ensure that the responsibility for delivery and payment is clearly defined.

Other more resource-intensive options include establishing a joint venture with a local business. This would give you a share of the management and profits of the joint venture. Or, if you want complete control over sales, you can set up our own local office.

CLOSE THE DEAL

SELLING ONLINE TO OVERSEAS CUSTOMERS

Assess the pros and cons of having a bricks and mortar presence vs. an omni-channel, digital presence within your new market.

It's not just about sales. E-marketplaces such as Tmall in China are an effective way to secure consumer behavioural data before you even launch your product.

UKTI holds information on over 400 e-marketplaces worldwide. Each of which can enable you to trade across multiple countries via one online platform.

Check out our E-Exporting Programme to accelerate your global growth via online channels. It enables you to meet with a Digital Trade Adviser to discuss export plans, receive help and advice on building your online and e-commerce presence, increase the reach of your brand globally, identify new e-marketplaces around the world, set up on e-marketplaces quickly and attend events and webinars about retail/e-commerce opportunities.

Use social media to your advantage. Satisfied customers will be your biggest, loudest advocates online. Work with them to raise your profile and build relationships through recommendations, offers, newsletters and other online content.



CLOSE THE DEAL

PLANES, TRAINS, SHIPS AND AUTOMOBILES

You'll need the right transport to get your product or service where it needs to be, when it needs to be there.

Most companies use specialist freight forwarders to handle transport. It's good to look for someone who exports regularly to your target destination. This offers you the chance to consolidate your goods with other consignments in a single container to reduce costs.

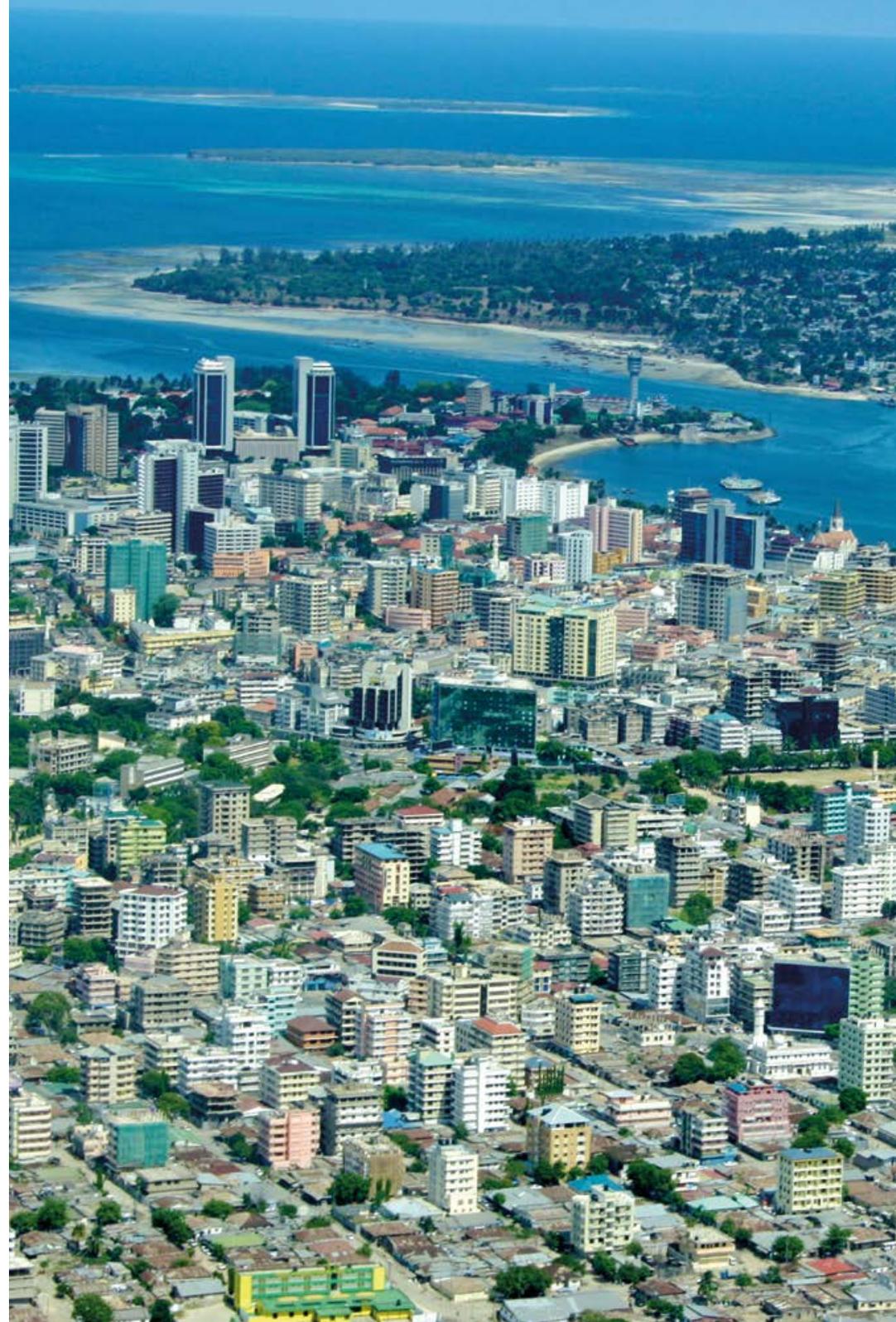
In all instances, your goods will need the appropriate packaging and labelling for transportation.

Crucially, if you work with a supplier, you need to clarify in advance who will be responsible for organising UK customs procedures, freight, insurance and customs clearance in your target market.

These obligations should be set out in a written contract using Incoterms (www.gov.uk/incoterms-international-commercial-terms) which are standard trade terms that state who - you or your supplier - is responsible for what.

You can find out more about freight forwarders, Incoterms and other export-related issues at:

www.gov.uk/starting-to-export



A laboratory setting with numerous test tubes containing various substances, illuminated by blue light. The test tubes are arranged in rows and columns, some containing dark brown or black granules, others containing lighter brown granules, and one containing a green liquid. The background is a deep blue, and the lighting creates a professional, scientific atmosphere.

**DO BUSINESS
AND GROW**

DO BUSINESS AND GROW

GET PAID ON TIME

The challenge of late or even non-payment is a risk whatever market you're working in. But there are some steps you can take to protect yourself.

Think market, customers and currency.

Be aware of market conditions and the creditworthiness of potential customers.

Always agree acceptable payment terms and methods and protect your business with credit insurance.

Some countries also have access restrictions in place for foreign currency, which can impact payment. In these cases, it's worth getting a confirmed, irrevocable Letter of Credit to secure payment according to the terms of credit at an agreed rate.

If you sell on credit to foreign customers, you can use export factors (who specialise in the collection of money overseas) or invoice discounting to free up cash flow. Factoring means you get paid a percentage of the invoice upfront with the balance paid (minus the export factor's percentage) once payment is collected.

One other option is to hedge your exposure to foreign currencies. Exchange rates rise and fall - impacting on your profitability and cash flow. Foreign exchange hedging can enable you to identify, qualify and manage these risks.

Regional export finance advisers are available to provide guidance on these issues and more. Visit:

www.gov.uk/uk-export-finance

SUPPORT YOUR CUSTOMERS

In a 24/7 digital world, customer feedback can make or break a business's reputation overnight. You need to be there for your customers, wherever they are, when they need you.

You must offer the same standard of customer service overseas as you do in the UK. This includes managing regular servicing and warranty claims.

Make them part of your team, taking on their ideas and feedback to improve or evolve your products and services to meet their needs.

KEEP AN EYE ON YOUR MARKET

Just as you keep an eye on what's going on in your local area, in case it impacts your business, you need to do the same in your export countries. Political, social and economic changes, as well as developments in technology can all make a difference to your ease of doing business in that market.



YOUR 10-POINT PLAN TO EXPORTING

YOUR 10-POINT PLAN TO EXPORTING

PREPARE THE WAY

1 Research your market

- Find out if a demand exists for your product or service in your target market.
- Analyse your competition. How do you compare?
- Draw up a detailed list of the things you need to consider when operating in this market, e.g. legal, financial and cultural differences.

2 Check if you're ready

- Identify the benefits of this opportunity for your business.
- Review your business capabilities.
- Clarify those areas, if any, where extra advice, finance and support would be useful.

MAKE YOUR PLAN

3 Be customs savvy

- Contact your accountant and HM Revenue & Customs.
- Talk to the Embassy, High Commission and other UK networks in your target market.
- Give yourself time to get it right.

4 Protect yourself

- Speak to your solicitor.
- Know your legal obligations when exporting.
- Talk to the Intellectual Property Office.

5 Write your export plan

- Set out how you plan to launch your product or service.
- Think capital, resources, logistics, distribution and customer support.
- Do you have what you need to succeed?

YOUR 10-POINT PLAN TO EXPORTING

CLOSE THE DEAL

6 Sort your finances

- Talk to your bank, accountant and UK Export Finance.
- Review the extra finance you may need to fund your move overseas.
- Always think long-term.

7 Take a fresh look at your product/service and marketing

- As required, adapt your product/service and marketing to your new market.
- Look at what others are doing.
- Recognise what works and, if appropriate, copy it.

8 Secure the best sales and transport routes for you

- Decide if you want to sell direct, online or through an agent or distributor.
- Plan your routes and choose the most efficient transport method.
- Ensure that you or your importer insures your goods.

DO BUSINESS AND GROW

9 Get paid on time

- Keep a close eye on your cashflow.
- Make sure you have the necessary credit in place to underwrite your investments and sales.
- Always protect your business with insurance.

10 Support your customers

- Check in with customers, export agents, banks and other partners regularly.
- Provide the same standard of service to your overseas customers as you do in the UK.
- Keep an eye on what is happening in your market - economically, politically and socially - that might impact on your business.

EXPERT SUPPORT TO EXPORT



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UK TRADE & INVESTMENT (UKTI)

UKTI works with UK-based companies to ensure their success in global markets and helps overseas firms bring high-quality investment to the UK.

UKTI has a network of experienced international trade advisers across the country - alongside staff based in UK Embassies and other Diplomatic Offices around the world - ready to provide you with expert trade advice, market know-how and practical support to grow your business internationally.

To access this support, visit: www.gov.uk/ukti

UK export support, outside of England, is available in:

Scotland at www.bgateway.com

Wales at www.business.wales.gov.uk/zones/export
and Northern Ireland at www.investni.co



EXPERT SUPPORT TO EXPORT

UK EXPORT FINANCE (UKEF)

UKEF is the UK's export credit agency. It helps UK exporters by providing insurance to exporters and guarantees to banks to share the risks of providing export finance. In addition, it can make loans to overseas buyers of goods and services from the UK.

UKEF works closely with exporters, banks, buyers and project sponsors to support exports to, and investments in, markets across the world.

Discover what Export Finance Advisers can do for you at:

www.gov.uk/uk-export-finance

HM REVENUE & CUSTOMS (HMRC)

HMRC can give you expert assistance on a number of matters relating to the importing and exporting of goods. This includes information and guides covering topics such as the classification of goods, trading in the EU, imports from outside the EU, duty relief on imports and exports, import and export controls and procedures, VAT, export licences, export taxes and exchange rates.

To get the full picture, visit:

www.gov.uk/business-tax/import-export

INTELLECTUAL PROPERTY OFFICE (IPO)

The IPO is the government body responsible for intellectual property (IP) rights including patents, designs, trademarks and copyright.

The IPO operates and maintains a clear and accessible intellectual property system in the UK. The IPO can also help you protect and benefit from your ideas or inventions at home and abroad. This includes access to a range of IP events, guidance, tools and case studies to support your export ambitions.

For further information, visit: www.gov.uk/ipo



EXPERT SUPPORT TO EXPORT

OPEN TO EXPORT

Open to Export is the online community helping UK businesses get ready to sell overseas. Backed by Government and business, it is a not for profit social enterprise dedicated to helping UK companies grow through export.

You can get free online access to information, advice and useful contacts at: www.opentoexport.com

EXPORTSAVVY

ExportSavvy is an online tool for companies who want to learn about exporting. It can guide you through what you need to consider when planning, executing and evaluating export activity. Visit www.exportsavvy.co.uk/EiG

YOUR BANK

Your bank can offer a range of help on topics such as managing foreign transactions, trading overseas in sterling, owning assets abroad, exchange rates and managing foreign exchange risks.

For more detailed financial advice and guidance on exporting issues that affect you, talk to the international section of your bank.

YOUR ACCOUNTANT

Your accountant can provide you with advice covering starting a business, organising your financial affairs, financial management and taxation.

You can find ICAEW chartered accountants in your local area, as well as essential business advice, resources and events for SMEs and Start-ups at: www.businessadvice.service.com

YOUR LAWYER

Your lawyer should also be able to direct you to the legal support your business needs.

Similarly, the Law Society's 'Lawyers For Your Business' network comprising solicitor firms from across England and Wales, can supply anyone starting or growing their business with a free consultation to talk through the issues the company faces and essential support - both domestic and international.

To access this support in England and Wales, visit www.lawsociety.org.uk

For contact details of law firms throughout Scotland, check out www.lawscot.org.uk/find-a-solicitor

EXPERT SUPPORT TO EXPORT

THE INSTITUTE OF EXPORT (IOE)

The IOE is the professional membership body representing and supporting the interests of everyone involved in importing, exporting and international trade.

The Institute's mission is to enhance the UK's export performance by setting and raising professional standards in international trade management and export practice. This includes recognised formal qualifications in international trade. It also runs a series of short training courses covering every aspect of international trade management.

To secure this support, visit: www.export.org.uk

BRITISH CHAMBERS OF COMMERCE (BCC)

The BCC, and its network of affiliated Chambers, support and advise businesses in all areas of international trade. With a worldwide network of bilateral and international chambers of commerce, the BCC can provide you with expert guidance and services such as: export documentation, market research, training, translation services and letters of credit.

Find the BCC's dedicated online exporting resource at: www.exportbritain.org.uk

TRADE ASSOCIATIONS

Trade Associations can be an invaluable source of information and support about your sector. This includes nationally and internationally. A list of trade associations is available via the Trade Association Forum at:

www.taforum.org/Members

Alternatively you can search online or via a trade directory.

EXPORT CONTROL ORGANISATION (ECO)

Any item exported from the UK that is subject to export control needs a licence. ECO is responsible for assessing and issuing (or refusing) export licences for a wide range of controlled, so-called 'strategic' goods. This includes military equipment and dual use items, which can be used for both civil and military purposes.

To find out if your product or service needs a license visit:

www.gov.uk/government/organisations/export-control-organisation



UKTI

UK Trade & Investment is the Government Department that helps UK-based companies succeed in the global economy. We also help overseas companies bring their high-quality investment to the UK's dynamic economy acknowledged as Europe's best place from which to succeed in global business.

Disclaimer

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