

Sample Export Market Plan

I. Executive Summary

II. Company Profile

The ABC Co. started in 1983 as two small shops in Maintown, one for wood products and the other for metal products. The Company moved to Bigcity in 1993 as part of an expansion. It utilizes the latest technology throughout its manufacturing processes. This gives the company great flexibility and adaptability to meet customer requirements. The Company has about 350 employees. The Bigcity factory is the only production facility and has about 250 employees.

The key management personnel are Mr. John Smith, Chairman and Managing Director, who has a degree in commerce from Bigcity University and 13 years business experience, and Mr. John Doe, Plant General Manager, who holds a mechanical engineering degree from Bigcity University and has 30 years experience.

The ABC Company produces 186 different products in two main product lines -- metal products and wood products. ABC also produces custom products and makes extensive use of plastic and other materials as well. The wood product lines include stylish desks, cabinets, bookcases, tables and chairs made from decorated polyvinyl clad particle board (called M.D.F. by the Company) and electrostatically painted or chromed metal parts. Factory management takes pride in their ability to provide all the necessary design, tooling, molds, materials, decorations, and assembly necessary to produce finished products from base raw materials and stock. Their philosophy is to be completely self sufficient as a manufacturer, a philosophy which extends even to the point of producing their own electricity.

The highly diverse metal products line includes aluminum furniture, windows, and doors; roller castors for furniture and carts; metal fittings, such as hinges, push bars, latches, handles, bolts, stops and ornamental grilles for doors; plastic and metal rollers for sliding doors; tools, rivets, seals, fittings, handles and other products using combinations of wood, metal, plastic, rubber and other materials; and all manner of molded plastic parts. In addition to these standard parts, the factory produces specialty parts and products for others on a contract basis.

III. Current Export Status

A. Current export activity (as % of total sales): Exports are fairly sporadic and currently account for about 5% of total production.

B. Current export products and markets: Export sales are primarily aluminum accessories. They go mainly to Canada, because they have similar export/import requirements and standards and have been the focus of sales effort.

C. Ability to meet commercially acceptable international product standards: All products meet DIN standards.

IV. Product Focus for Export

A. Product 1: Aluminum windows, doors and metal fittings

1. Classification: HS# _____ SITC# _____

2. Product description & function: Complete line of aluminum windows, doors and metal fittings for residential and office buildings, in standard dimensions or made to order.

3. Target customers/users: Builders, contractors and importers/distributors of building materials.

4. Customary sales/distribution channels: ABC Company sells to a large customer base domestically, utilizing a combination of their own sales force and regional distributors. The current domestic sales and marketing strategy is to service existing customers and rely on them and word of mouth to attract new customers. Customers are encouraged to visit the plant and talk over their needs with the plant staff. Customized demonstration products are often made for the customer to make sure their needs will be satisfied.

5. Customer support requirements for export

- **Warranty & replacement policies:** ABC Company has a strong customer service orientation. They are willing to replace any batch of product that does not meet customer requirements or discount its cost.
- **Installation & maintenance:** None required.
- **User training:** None required.

Replacements/spare parts stocking: Not applicable.

6. Available supply for export (units per month): The ABC Company could easily fill new export orders from present inventory or other sources.

_____ currently available for export

_____ to be available for export as of _____

V. Current Export Resources, Functions & Requirements

A. Export Budget (last 3 years): The ABC Company's management is strongly committed to exporting and would be willing to commit over \$100,000 per year for export development. The company would also be willing to wait up to 3 years to achieve acceptable export results.

1999: \$ 5,000

2000: \$5,000

2001: \$ 5,000

B. Export Organization Structure & Reporting Hierarchy: A Marketing Staff and a Sales Staff , including an export sales manager, report to the Marketing and Sales Manager.

C. Export Manager(s)/Sales Force: The company would hire or train additional staff to work with its export manager to handle any new or additional export business.

D. Export Functions Currently Performed (organization unit/persons assigned):

1. Market research, analysis and planning: The ABC Co. rarely conducts market research and planning for its domestic operations.

2. Export marketing and promotion: The ABC Co. has not done much promotion domestically other than some newspaper and TV advertising and participation in domestic building products shows. The company also does not do any Internet marketing.

3. Order taking & processing: Assigned to Export Manager.

4. Export documentation: Export Manager works with local freight forwarder.

5. Export finance/insurance: Export Manager works with local bank and freight forwarder.

6. Shipping & delivery: Export Manager works with local freight forwarder.

VI. Export Market Strategy for 2000/2001

Most Promising Markets: The best markets for ABC's building materials and hardware are the Netherlands, Japan, Mexico and Argentina. These market selections were based on analysis of trade statistics and market research, indicating the following:

- Statistically, over the last 4 years, these countries were the largest and fastest growing export destinations for U.S. building materials and also the largest and fastest growing world importers of building materials. The U.S. has maintained a relatively strong and growing share of the building materials import market in these countries.
- These markets are recommended as “Best Markets” for building materials by U.S. Commercial Offices in the countries, based on the following considerations – strong demand outlook, high receptivity to U.S. goods, conducive trade policies and business environment.

Target Market 1: Netherlands (Repeat for each target market)

1. Market Profile

- **Market Overview:** Extract from Industry Sub-sector Analyses (ISAs) or other sources.
- **Demand trends:** Extract from ISAs or other sources.

- **End user analysis:** Extract from ISAs or other sources.
- **Competitive analysis:** Extract from ISAs or other sources.
- **Market compatibility:** Extract from ISAs or other sources.
- **Import requirements and regulations:** Extract from ISAs or other sources.
- **Marketing & distribution practices:** Extract from ISAs or other sources.
- **Advertising and promotion media:** Extract from ISAs or other sources.
- **Potential business contacts:** Extract from Industry Sub-sector Analyses (ISAs) or other sources.

2. First Year Export Sales Goal: \$300,000

3. Market Entry Strategy

- **Export Mode** (Whether to export directly or use domestic export representative): ABC will export directly to the Netherlands.
- **Localization/adaptation** (Whether/how to adapt product, packaging, literature): ABC will not initially modify current design or packaging of products. ABC will initially use current product brochures and investigate need to translate promotional materials into Dutch.
- **Distribution:** (Whether to sell direct to buyer or use local rep, sales office, etc.): ABC will initially appoint a local Dutch distributor that specializes in DIY products, can stock products locally as needed, is not already overloaded with other accounts, and is willing to share costs of market development and promotion.
- **Advertising & promotion:** (Whether/how to promote and media to use): ABC and its distributor will launch an aggressive promotion campaign focused on ads in the major DIY trade magazines and participation in the Ijzerwaren & DHZ Beurs trade show in Utrecht (January 2001) and the Cologne Hardware Fair in Germany (March 2001).
- **Product pricing:** (Base price and whether/how much to discount): Base export prices (Ex Works and FAS Baltimore) are shown on the attached Price List. CIF pricing can be quoted on a case-by-case basis. The distributor will get a 15% discount on orders below \$25,000 and a 25% discount on orders above \$25,000.
- **Export financing:** (What payment terms/methods to use, for whom): Unless special circumstances apply, or the Dutch distributor advises otherwise, ABC will sell on a Letter of Credit (irrevocable, confirmed) basis. Eventually, as customer relationships develop, Open Account sales will be considered.
- **Product delivery:** (What packing, labeling, shipping, storage needs/methods apply): Product marking and labeling will comply with Dutch and EU requirements. Products will be packed in wooden crates with Styrofoam insulation and shipped in 40' containers.

4. Market Development Action Plan (milestones/dates)

- Develop marketing collateral (promotional materials, price lists, legal instruments, etc.)
- Identify prospects in target markets: (Buyers, agents/distributors)
- Select/appoint partners: (Conclude agent/distributor/other agreements)
- Conduct marketing campaign: (Advertising, trade shows, business visits)
- Evaluate results: (apply to ongoing strategic review)

VII. First-Year Export Budget

A. Pre-Export Working Capital: \$15,000

B. Market Research: \$ 2,000

C. Sales & Distribution: \$10,000

D. Market Promotion: \$25,000

E. Market Adaptation: \$ 5,000

Total: \$57,000