

How good is your export process?

This worksheet identifies the main components of the export process. Tick the appropriate boxes to analyse which elements of your own process and practices you are happy with - 😊, which ones need improvement - ☹️, and which ones do not apply - n/a.

There are sections covering administration, documentation, shipping, sales and profitability which will be relevant to all exporters. An additional trading section applies to export intermediaries who buy and sell for export, import or off-shore transactions.

Print out this form and use the tick boxes. If, after working through the list, you end up with more ☹️ results than you would like, perhaps it's time to consider taking action. That could include investigating what contribution Exportmaster software could make towards improving these and other aspects of your export process and performance.

Administration

The excessive demands of export paperwork and admin often mean that staff who should be working on value-adding, customer-facing activities spend too much time on tedious routine.

😊 ☹️ n/a

Time available for value-adding and customer-facing activities.

Duplication of data entry often takes place – first in the company's main system and then in the export department – thanks to lack of integration between company systems.

😊 ☹️ n/a

Degree of integration of export activity with the main company system.

Time-wasting multiple re-keying of the same data often takes place between regular shipments for the same customer and even between different documents for the same shipment.

😊 ☹️ n/a

Amount of manual entry and re-keying.

Manual inputs, copying-and-pasting and re-keying carry a substantial risk of allowing errors to occur. These can have significant consequences for both exporter and customer as a result of problems with letter of credit presentations, clearance at destination, licensing, exchange control, penalties, etc.

😊 ☹️ n/a

Risk of administrative and documentary errors.

The risk of errors arising from manual inputs, copying-and-pasting and re-keying can cause excessive amounts of time and effort to be expended on checking documentation.

☺ ☹ n/a

Time spent checking documents.

Many companies experience frequent and costly problems caused by data discrepancies in documents presented against letters of credit or guarantees and by late presentation. The protection given by financial instruments can be severely compromised by such problems.

☺ ☹ n/a

Letter of credit compliance performance.

Most company systems, while controlling goods availability, provide no information about the status of all the different activities that are involved in processing an export order and shipment. Responding to a need or request for status information can therefore involve hunting through paperwork and folders or consulting spreadsheets which can take a lot of time to maintain manually.

☺ ☹ n/a

Availability of order/shipment status information.

Export procedures and documentary requirements can rarely be stored in most company systems, except possibly as text notes. Even where procedures are well-documented, staff must look up the text information, usually from paperwork, and then work through the contents themselves. In company systems, export procedures do not drive the export process.

☺ ☹ n/a

Availability of procedural guidance and control.

If procedures are stored on pieces of paper or, worse still, in the heads of certain individuals, the ability of the export department to function can be extremely vulnerable to the absence of key people, for example in the event of unexpected illness.

☺ ☹ n/a

Vulnerability to absence of key individuals.

When an export operation is not systematically organized, customers soon realize that all is not well. Missed dates, inaccurate execution, documentary problems and lack of information can rapidly erode an exporter's reputation as a reliable business partner.

☺ ☹ n/a

Perceived level of customer service.

The quality of a company's export system and organization can affect speed of availability of product internally and speed of arrangements with external third-parties. Speed of order execution and shipment is fundamental to customer service and can also determine how rapidly or otherwise repeat orders will be obtained. Slowness of turn-round can significantly increase financial costs.

☺ ☹ n/a

Speed of order/shipment turn-round.

How happy are you with your status control facilities? If a key person is away, can somebody else easily tell what has been done so far and what needs to be done at the moment? Or do they have to look at a previous shipment to see how to do it and then hunt through the papers of the current one to try to work out what has happened so far? Are status and procedures clearly visible to colleagues and management?

☺ ☹ n/a

Status control and procedural facilities.

Documentation

To an overseas customer, your documentation may be the most visible aspect of your company. If you use various different approaches for producing documents, their appearance and format is likely to be inconsistent and will probably not reflect the desired corporate image.

☺ ☹ n/a

Consistent and professional image in documentation.

Poor presentation and sub-standard data-content of export documents make it difficult for the customer to place orders, to open letters of credit, to meet local statutory requirements and to clear the goods from the port or airport without problems or penalties. Failure to use internationally approved and accepted document designs like the SITPRO/UN set can cause problems with processing authorities.

☺ ☹ n/a

Format, presentation and content of documents.

Purchasing pre-printed stationery for export forms costs money and putting it into printers can be a messy and time-consuming business. There are now very few forms that cannot be legitimately reproduced on plain paper by computer.

☺ ☹ n/a

Amount of use of pre-printed stationery.

Slowness of document production can cause problems in many areas: keeping trailer-load or container-load drivers waiting while documents are typed up with final quantities and missing date deadlines for letter of credit presentation are examples.

☺ ☹ n/a

Speed of document production.

Documentary errors can have serious implications for export customers. Without a good system there is a danger of not producing the right selection of documents in the right quantities for the destination and of not completing the documents correctly, either because of misunderstanding what is required or because of mistakes in the content.

☺ ☹ n/a

Frequency and seriousness of errors in documentation.

How easy is it for export staff to know and understand what they need to put in which box on an export document?

☺ ☹ n/a

Ease of completion of documents.

Customers these days do not just want to get their documents quickly. They also want to see them in advance of actual receipt. It can be complicated organizing scanning of documents for attaching to emails, especially if a whole set is involved. Check out your facilities for automatically attaching documents to emails or for creating HTML emails that incorporate the actual document itself in the text area.

☺ ☹ n/a

Facilities for emailing documents.

Shipping

Are you paying out money to third parties like forwarders to have your documents prepared? Are there savings available to you by bringing this function in-house?

☺ ☹ n/a

Cost of out-sourcing documentation.

Are you happy with the quality of documentation prepared on your behalf by third parties? If it was easier to prepare documents yourselves, should you be considering this option?

☺ ☹ n/a

Quality of out-sourced documentation.

How clearly can you see all the different costs associated with a shipment? It is only if these are visible that sensible decisions can be made about which firms to use for shipping and distribution functions.

☺ ☹ n/a

Visibility of shipment and associated costs.

Using different methods of transport can entail substantial cost differences. Check that you are easily able to undertake comparative costings for a transaction for a choice of methods.

☺ ☹ n/a

Ability to compare different methods of transport and distribution.

Unlike a home-market transaction, an export shipment involves a complex mixture of procedures and activities. Are these left up to individuals to remember? Or are they incorporated into your system?

☺ ☹ n/a

Monitoring and prompting procedures and activities against shipments.

Dates and deadlines (sailing dates, flight times, letter of credit expiries) are of critical importance for export shipments. Check that your system is pro-actively bringing them to your attention rather than relying on individuals to remember what needs to be done at the right time.

☺ ☹ n/a

Handling of critical dates and deadlines.

Customs requirements add another level of complexity to export operations. It is often the case that the exporter is totally in the hands of third parties for their declarations to the customs authorities and that the costs are considerable. Customs are increasingly concerned that forwarders are constantly misdeclaring goods on behalf of their principals. Is there a case to consider bringing this function in-house?

n/a

Handling of customs declarations and documentation.

If you handle hazardous cargo, you will be producing dangerous goods notes (surface or IATA). This is not always an easy job and the consequences of getting it wrong can be very serious. Make certain that your systems are able to cope with this problem effectively.

n/a

Handling of dangerous goods documentation.

Sales

Thanks to administrative pressures, many companies are surprisingly slow to acknowledge and start work on sales enquiries.

n/a

Speed of response to sales enquiries.

Various factors can delay production of quotations or pro-formas: difficulty in working out prices, time taken to input data, problems in collating information, for example. Are you happy that your performance matches or is better than your competitors'? Or are they winning business because they get in first?

n/a

Speed of issue of quotations.

Working out export prices can be a time-consuming business. There are so many different levels of shipping, selling and financial costs to take into account between factory gate and delivery. There's a big temptation to put a finger in the air instead of getting the pricing right. Are you able to work out a price easily and in an automated fashion? And, better still, can you do it for a multiple products all at the same time?

n/a

Speed and ease of price calculation.

The terms of sale can significantly affect a customer's ability to buy from you. It is much easier for a customer to take a decision to buy on the basis of a delivered or CIF prices, than on an ex-works prices that leaves him to work out all the costs of getting the goods to him. How easy does your current approach make it for your customers to do business with you?

☺ ☹ n/a

Ability to offer appropriate price coverage (Incoterms) to customers.

Often a company's systems will make it difficult for the export salesperson to offer a price in the currency favoured by the customer. Having to purchase in the wrong currency can militate against a positive buying decision. Are company systems or attitudes adversely affecting your ability to offer what the customer wants?

☺ ☹ n/a

Ability to offer appropriate currency pricing.

While superficially convenient, it can be dangerous to rely on a standard price list when selling worldwide. The standard price may be too high for a particular market, in which case you will lose sales. Or it may be too low, in which case you will lose profit you might otherwise have made.

☺ ☹ n/a

Ability to price for the needs of particular markets.

Many companies' quotations are generated on systems that have nothing to do with export. They therefore are unfamiliar to the overseas customer and often do not serve well for opening letters of credit and attending to other local requirements. Their appearance and content can be quite different from what will follow later in the export documentation.

☺ ☹ n/a

Suitability of quotations and pro-formas.

It is difficult to develop international markets without good-quality management reporting, but home-market company systems rarely deliver this at the levels required by export personnel.

☺ ☹ n/a

Standard of export management information.

Even with first-class products, if customer service is not right, and especially if delays and documentary problems are frequent, there will be attrition of the customer-base.

☺ ☹ n/a

Acceptable level of customer losses or retention.

Slow order and shipment turn-round can, in the worst-case scenario, actually lose customers. It can certainly slow down the receipt of repeat orders. Have you considered how much more repeat business might be obtainable if orders were being turned round more quickly?

☺ ☹ n/a

Speed of obtaining repeat business

Profitability

How easy is it for you to prepare a profitability costing for a transaction? Are the costs that you need to use readily available, e.g. in a database that can be accessed automatically, or do they have to be looked up from all over the place? Is the data from your costings available to your management reporting facility?

☺ ☹ n/a

Ease of preparing costings.

Because of the complexity of producing detailed costings, many exporters issue export quotations without knowing precisely what profit margin they will yield if accepted. Best practice is always to have prepared a costing before approving the issue of any quotation.

☺ ☹ n/a

Knowing costs and profit margins before quoting.

It is obvious that, before accepting an order, one should know how much one will be making on it but the time and trouble involved in preparing a costing manually can mean that this necessity is often ignored. Similarly, it is important to recalculate the costing after the goods are shipped, so that the actual costs incurred can be compared with the forecast expenditure. A before-and-after approach like this will flag up the variances and draw attention to what is going wrong and where.

☺ ☹ n/a

Knowing costs and profitability on orders and shipments, before and after invoicing

It is important that net profit or net contribution per shipment (and for each product on each shipment) should not just be seen in connection with the shipment but should also be visible in more general management accounts. In this way, true profitability for each product can be seen against each individual customer. Check to see if your management reports are showing only total revenue or maybe gross profit figures rather than the true net profit after direct expenses have been accounted for.

☺ ☹ n/a

Availability of net profitability figures in reports.

Trading (this section applies primarily to export intermediaries)

A major part of the trader's activity can be identifying suppliers appropriate to each item on an enquiry. If this is a laborious process for you, explore how it might be automated or semi-automated by reference either to history of past supplies or offers or to categorization of products and suppliers.

☺ ☹ n/a

Product sourcing facilities.

For large enquiries, contacting all the suppliers potentially approachable for the different items can be a long-winded business. Price requests or invitations to tender need to be put in front of large numbers of people often using different methods and formats.

☺ ☹ n/a

Quality of your process for price requests or ITT's.

Chasing and keeping track of offers from multiple suppliers can pose many challenges, as does the selection of suppliers from those who make the offers. These functions are rarely addressed by companies' computer systems. Check out also your ability to access subsequently data relating to earlier offers for products from suppliers.

☺ ☹ n/a

Quality of offer tracking, supplier selection and offer history process.

In an export trading situation, multiple purchase orders may cross-refer to a sales transaction, yet most company systems do not properly support this relationship, nor can they tell you, for a given sales order, what goods you are still waiting for from suppliers. Purchasing and supply is a critical part of the trading process, but it is rarely handled efficiently because most systems work with a traditional manufacturer's stock-control approach. How well is it dealt with in your current set-up?

☺ ☹ n/a

Purchasing and goods supply procedures.

Notes:

Working through this list will almost certainly have highlighted areas that you are not totally happy about. There will no doubt be many courses of action that you can take to rectify the shortcomings. One of the most effective will be to explore how Exportmaster software could help you to deal with the problems and deliver overall improvement to your export process.

Get in touch now and ask for details via the Exportmaster [contact page](http://exportmaster.co.uk/contact.html) at <http://exportmaster.co.uk/contact.html>.

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