

Your 10-point plan to boost export performance

Exporting is a highly specialised and demanding activity. It is often under-resourced but getting it right is vital for any company facing global competition.

Here are some suggested areas for improvement that often warrant attention. All of them can be addressed through the use of an Exportmaster system.

Cut time wasted on routine administration

Exporting is notorious for time-wasting, repetitive activities that manage to be both routine and complex at the same time. Every customer in every country seems to need a separate approach and different documentation. Data and text often have to be endlessly re-keyed or copied-and-pasted.

- Automate as many activities as possible
- Build customer procedures into a system that drives the user through them
- Eliminate looking up data and procedures from paper files or disparate systems
- Don't re-key data already entered in your main company system – transfer it electronically
- Don't re-key data that is usually the same for a particular customer – incorporate it automatically
- Don't re-key or copy data from one document to another on a shipment – store it centrally so that it is available to all of them
- Where a letter of credit requires a change to the usual data, make sure you only need to change it once – not manually on each individual document
- Save time and money by eliminating inefficient processes

Free up staff

Export departments often suffer from a low staff-to-revenue ratio. Because of the administrative burden, people who are capable of contributing far more to the export effort find themselves spending most of their time on routine paperwork.

- Free up staff for activities that add value and win business
- Spend less time on paperwork
- Spend more time following up enquiries and quotations
- Spend more time pushing forward order fulfilment and shipment – the sooner you ship, the sooner you'll have your next order
- Motivate staff by redeploying their time towards more interesting and rewarding activity

Get documentation right

Because of the huge variety of regulations and requirements for different destinations, it's not always easy to get the documentation right. But getting it wrong can have serious penalties for the customer and for the exporter.

- Know which documents are required for which customer
- Know which documents to produce at which stage in the process
- Ensure that the content of the documents is right for the customer and type of shipment
- Have the ability to design special documents to meet the needs of the particular customer
- Ensure that the content is in compliance with letters of credit and import licences to avoid serious payment problems
- Ensure documents are prepared in time for presentation deadlines
- Ensure documents can be produced immediately when a driver is waiting after loading a vehicle
- Get advance documents to the customer fast as email attachments, as dynamic email text or as formatted HTML email documents

You may have the greatest products at the best prices, but, if you constantly cause problems for your clients with supply, with clearance, with banks or with authorities at destination through poor administrative and documentary practices, you will very soon exhaust their goodwill and patience.

Present a professional image

In most companies, export documents and supporting paperwork tend to be produced using a multiplicity of methods including word processing, spreadsheets, typewriters and even handwriting. Some of the output can look quite amateur, and the lack of a consistent format can present a very unprofessional image.

- Present documents using consistent formats and appearance
- Use company logos and styles instead of just typewritten text on official forms
- Use internationally approved formats (e.g. SITPRO/UN) where appropriate
- Eliminate messy alterations and additions

For many clients, their most frequently noticed point of contact with your company may be the documentation that you send them. Visual impressions rate high in people's perceptions so don't let poor document presentation undermine their image of you as a serious supplier.

Control the shipping and documentation process

Shipping arrangements can be complex and deadlines can be critical. It's vital to have the whole process organised within a proper system.

- Don't just respond to what's happened – be in control of what's going to happen!
- Have each action and date available in a dynamic check-list against each shipment
- See what actions have been carried out already, what needs to be done right now and what will need to be done later on
- If a key person is away, make sure that others can see easily what they need to do to progress the shipment

Chase items pro-actively

Turning orders and shipments round rapidly is vital to an efficient export operation. In many cases deadline dates can be critical (letter of credit expiry, sailing dates, client stipulations) but the status of export shipments can often be hidden in a heap of folders or buried in a spreadsheet.

- Generate action reports that tell you which activities for which orders need to be done right now
- Generate pro-active reminders that tell you when an item is approaching its deadline date
- Get your procedural system to generate email messages calling for action from other people at appropriate stages in the process

Improve the quotation process

Exporters are dealing in a highly competitive global market. If you have to issue quotations or pro-formas, unnecessary delay can be damaging to your business.

- Acknowledge enquiries immediately
- Put quotations together rapidly – don't waste time with repetitive typing
- Calculate or retrieve prices rapidly – don't waste time looking things up all over the place or undertaking endless manual calculations
- Make sure your quotation tells the customer what he needs to know in order to place an order easily – most company systems don't do this
- Make sure your quotation presents the data in an export-oriented format that will ensure that a letter of credit or import licence is opened correctly and in a way that you will be able to comply with
- Present the quotation in a format that will be mirrored by that of the documents that will follow when the goods are shipped
- Be able to convert the quotation into an order without re-keying

Get pricing right for the market

Working out export prices manually for specific markets is difficult and time-consuming, so it can be tempting to fall back onto standard price lists which are usually ex-works or FOB in your own currency. There may sometimes be good reasons for standard pricing, but the following points are well worth considering.

- Price for the market – standard prices that are lower than necessary for a particular market will simply give away profit that you would otherwise have earned
- Again, price for the market – standard prices that are higher than appropriate for a particular market will risk driving away business that you might otherwise have won
- Price in the customer's currency when you can – your own currency may be easier for you, but it's more difficult for your customer
- Price CFR, CIF or delivered if you can – quoting ex-works or FOB makes it difficult for the customer to work out what your products will actually cost on arrival. Make it as easy as possible for the customer to buy from you

You can use Exportmaster's pricing facilities to work out prices Ex-works, FOB, CFR, CIF, CIP, DDU, DDP or at any other level, by reference to sales, financial and distribution costs. This can be achieved in seconds for every item in an entire quotation.

Control sales and distribution costs

In order to get pricing and profitability right, you need a system to handle costings and the maintenance of freight, distribution, selling and financial rates and costs.

- Maintain a database of rates for export expenditure
- Price quotations by reference to costs as well as to market requirements
- Always do a costing for a quotation before issuing it
- Do 'before and after' costings for orders and shipments so that you can see where problems are occurring by looking at the variances
- Use the net profitability information from your costings in management reports

Produce meaningful management information

Most company systems give poor information for export operations. They rarely take export costs into account except in a most generalised way and cannot distinguish between different terms of sale. Two customers purchasing the same goods at identical profitability, one buying FOB and one CIF, may be equally viable, but the corporate system will probably represent the second as being the one with whom you are doing more business.

- Produce your management reports with a system that understands the vagaries of export terms of sale
- Produce reports that can show genuine net profitability after taking into account specific export costs
- Be able to analyse at sales and profitability levels right down to individual products and customers
- Be able to compare periods and forecasts to see where your business is going and identify what action is needed in particular markets

Summary

The world has become a highly competitive place. Today almost every country can produce most products at keen prices. The big competitive differentiator has therefore become **customer service**.

Customer service cannot be genuinely delivered by shuffling quantities of paper or trying to keep track of information held in lots of different places or systems. The export function needs its own integrated environment.

Reading through this document you will probably have identified various areas for improvement that, given appropriate attention, would deliver significant benefits for your company. All of the points raised can be addressed most effectively through the use of an Exportmaster system. Full details can be obtained from

<http://www.exportmaster.co.uk/emcontact/contact.html>

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