Expansion through exports

Look to international markets to help your business survive and thrive in the increasingly competitive global economy, says Jeff Wilson, Head of External Relations, UK Trade & Investment.

One of the key ways for UK businesses to maximize their growth and ensure their long-term future is to export their goods and services to overseas markets. Even through challenging economic times, there are unparalleled opportunities for British firms around the world. UK products, services and expertise continue to be in widespread demand globally, both in traditional, established markets such as Europe and the United States, and the high-growth economies of countries such as China, India, Brazil and Russia.

Gain the export advantage

There are many compelling reasons why UK businesses should consider expanding in global markets.

UK companies that export are responsible for 60 per cent of national productivity growth and more than 70 per cent of UK business research and development. This helps to give them a technical competitive advantage, leading to more sales and opening new markets.

As well as opening access to new sources of revenue, trading internationally will allow you to spread risk across a wider range of customers, extend the market for specific products and ensure that you are aware of international competition. In some cases, this enables companies to offer much more interesting roles for their staff and recruit better people as a result.

Exporting can also be a catalyst for innovation. In many cases you will see new ideas and opportunities overseas which will spur you to develop new and modified products to meet the needs of international customers. This can help you to gain and retain a competitive advantage in the UK as well.

Academic research (Harris and Li, 2007; Hart et al, 2009) confirms that exporting companies:

- are more productive and innovative than non-exporters;
- are more resilient to an economic downturn;
● achieve stronger financial performance;
● have a higher profile and more credibility; and
● are more likely to stay in business.

Making it happen

If you are interested in trading internationally, you will need to think about how to research, target and grow a presence in overseas markets.

Firstly, you need to assess your export potential honestly, in terms both of the readiness of your business and of your product and service. Business Link’s online tool ‘Export for growth’ can help you do this.

You should then carry out market research to identify and evaluate the target market. Desk research is a good starting point, but you may also wish to consider commissioning some bespoke research from an export specialist. After completing your market research, you can then draw up an export plan defining how you will enter the new market.

Once the initial homework has been done, and you have decided on the export market/s to approach, you then need to organize your sales presence there. You may be able to sell directly, but many firms prefer to appoint an agent or distributor or set up a joint venture with a local business.

Marketing is a key element of successfully selling overseas. To be effective, your marketing strategy should be tailored to each target market, appreciating the traditions, culture and legislation of the country you are trading with.

It is also important to visit the market in person. This will enable you to experience the marketplace first hand and make the contacts necessary to do business. Attending overseas events, such as trade fairs, and participating in a trade mission can be great ways to test markets, attract customers, appoint agents or distributors and make sales.

Getting you started

Exporting may initially seem quite daunting, especially if you have never done it before. However, a wide range of support services exists to help UK exporters and would-be exporters to tackle virtually all of the issues and challenges which they are likely to face, and help them become established in international markets.

Key sources of help include UK Trade & Investment (UKTI), the government department that helps UK-based companies succeed in global markets and assists overseas firms in bringing their high-quality investment to the UK. UKTI has helped many thousands of businesses achieve international success by providing tailored services with specialist support covering a wide range of industries. Its clients consistently cite the importance of UKTI support in helping them to overcome barriers to new overseas business and improve their commercial performance.
Offering a global network of 2,400 staff, UKTI’s international trade advisers (ITAs) around the UK have years of business experience to draw on when advising companies, while local in-market knowledge and expertise are available from commercial officers based in British embassies and other diplomatic offices in 96 markets worldwide.

Encouraging UK companies to export to high-growth markets is a particular focus for UKTI. This is demonstrated by initiatives such as the Explore Asia campaign, which aims to give UK businesses the knowledge, inspiration and confidence to consider Asian markets as profitable and valued trading partners.

Other major UKTI initiatives include the High Value Opportunities (HVO) programme, which aims to provide UK businesses with the intensive support they need to access large-scale overseas procurement opportunities. These opportunities are worth billions of pounds, and range from major infrastructure, manufacturing and engineering, through to big supply or value-chain opportunities.

Thanks to such support, there has never been a better time for businesses to think global and scale up their international presence. Exporting provides a major opportunity for growth in the UK economy – and it could be a major opportunity for your company too.

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**Getting it right**

Ten key steps to successful exporting:

1. *Research your market.* Does your prospective foreign customer need what you are selling at the price that will yield you a profit? What is the competition and how will they react?

2. *Implement an export strategy and review your capabilities.* Ask yourself: what would my business gain from exporting?

3. *Construct an export plan.* Define how you will enter the overseas market. Finalize human resources and marketing strategy and allocate an adequate budget to cover export start-up costs.

4. *Choose your sales presence.* Establish whether you need a direct sales operation. Or is an agent or distributor more effective? How will you manage your overseas sales presence?

5. *Promote your product.* How are you going to market and sell your product? Customize marketing to the target country.

6. *Get the Customs side right.* Contact HM Revenue & Customs and the British embassy of your destination country to clarify requirements. Make sure your reporting practices are watertight.

7. *Get paid on time.* Ensure that your cash flow will remain at a safe level. Guarantee sufficient credit for your future sales. Take out insurance cover if necessary.

8. *Choose your distribution methods.* Consider the implications of selling over long distances and across national frontiers.
9. **Transport goods effectively.** Assess and choose the most effective transport method and make sure the goods are insured by you or the importer.

10. **After-sales policy.** Regularly liaise with customers, export agents and banks. Monitor political unrest or other adverse conditions in the country of destination. Manage regular servicing and warranty claims.

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### Business benefits

Exporting can allow companies to:

- achieve levels of growth not possible domestically;
- increase the resilience of revenues and profits;
- spread business risk;
- achieve economies of scale not possible domestically;
- increase the commercial lifespan of products and services;
- increase the returns on investment in R&D;
- improve financial performance;
- improve productivity;
- boost their profile and recognition internationally.

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### UK Trade & Investment services

- **Passport to Export.** Provides new and inexperienced exporters with the training, planning advice and ongoing support they need to succeed overseas.

- **Overseas Market Information Service (OMIS).** A tailored service provided by UKTI’s overseas teams to access market and industry information, identify potential contacts or assist in planning an event.

- **Export Marketing Research Scheme (EMRS).** Offers support, advice and some grant funding to eligible companies wishing to research a potential export market.

- **Export Communications Review (ECR).** Assesses the way companies communicate with overseas customers and makes practical recommendations for improvement.
- **Events and seminars.** Held across the UK and internationally. They include specific sector and market-based activities.

- **Trade missions.** Organized to help UK companies visit the market they’re interested in and talk face to face with prospective business partners. UKTI also organizes missions into the UK to allow overseas delegates to meet with potential partners or investors.

- **Business opportunities.** News e-mailed directly into your inbox, highlighting hot leads in your chosen overseas market.

- **Gateway to Global Growth.** A service for more experienced exporters. It offers focused planning, advice and support to help companies to build on their previous success and develop new overseas markets.

- **High-value opportunities programme.** Proactively identifies global supply-chain opportunities, coupled with an online service giving access to several hundred sales leads around the world each month.

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**References**


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You can find contact details for your local UKTI international trade adviser on www.ukti.gov.uk or telephone +44 (0)20 7215 5000.

The UKTI helpline is open from 9.00 am to 5.00 pm Monday to Friday.
If you really want to understand what your customers, markets and competitors think, speak to the market research specialists...
Intelligence to make you international

Drawing on their experience in China and North America, Matthew Harrison and Mark Hedley of B2B International set out 10 ways in which business-to-business (b2b) market research will make your business an international company.

Market research and market intelligence do not enjoy the most dynamic of reputations throughout company board rooms. Marketing departments often see surveys as little more than a raw data resource, to which they then add the main value. CEOs criticize surveys as lacking the business context necessary in order to be actionable, while sales teams often deride market research as unnecessary window dressing. In reality, however, good-quality market research is an invaluable strategic resource for any dynamic business, and particularly those companies with international aspirations. This article sets out 10 key ways in which market research can expand the horizons and operations or your organization.

1. It will tell you what your customers want

The most fundamental question to any business is ‘what do our customers want?’ Market research is really the only way in which to answer this question effectively. While most companies possess a mine of internal knowledge about their customers’ needs, it is usually a mistake to assume that this represents a comprehensive view of what customers really value. Without doubt, internal knowledge from sales teams, business developers, senior management and other client-facing personnel offers critical insights into customer requirements and should always be systematically gathered as regularly as possible. However, it is also important to recognize that internal data is often seen through the prism of prevailing corporate culture, which has the habit of filtering or distorting the true picture. For example, why would someone working for a company whose ethos and even strapline espouse low prices admit that the market has changed and today’s customer wants something different? Why would a client manager admit that their customers have a range of unmet needs, at risk of being branded a failure?
More formal market research tackles these challenges in a number of ways. Firstly, the use of a third-party agency to conduct the research means that research is independent and impartial, while the anonymity of the commissioning company can be maintained. This also has the effect of minimizing the likelihood of any criticism (or flattery) directed at the company from interview respondents. Secondly, the wide variety of questioning, analytical and statistical techniques at the disposal of market research agencies also helps to maintain the independence of findings. For example, while projective questions place respondents in ‘virtual’ business situations that help to elicit real-life responses, statistical driver analysis isolates the real factors behind purchase choice, rather than simply relying on the articulation or agenda of respondents. Finally, market research agencies are specialists at analysing data independently and have a remit to find out the full and true picture; that is, good research agencies are motivated to challenge the status quo rather than to maintain it.

For companies seeking to expand overseas, the independent approach is all the more essential. Multi-million-dollar global investments may rest on companies being faithful to the principles of the whole truth and nothing but the truth.

### 2. It will show you the size of the prize

The decision to enter a market, the decision to expand capacity or sales presence within an existing market, the setting of sales and growth targets, and the choice of distribution channels are all critical decisions that will often depend primarily on the overall size of the opportunity in a particular country or market.

High-quality market research agencies specialize in deriving market size from a variety of statistical sources and through commentary methods, while data triangulation offers reassurance that market size estimates are accurate. Some of the common ways in which agencies estimate market size include:

- asking a representative selection of target customers how much they spend on the product or service and aggregating up to take account of the whole market;
- aggregating the total revenues from all players in the market (for the products/service in question);
- calculating market size for other geographies or sectors and applying proxy multipliers to calculate the size of the market of interest;
- using existing secondary data, research reports and the views of independent experts to cross-verify and sense-check the market size.

In most markets, there is seldom sufficient information to rely on one market calculation method alone, and typically a combination of the above will be used. This combined approach normally results in a market size that is accurate within a 10 per cent margin of error. Again, the market size estimation is independently obtained by a company whose key motivation is to get it right.
3. It will show you exactly how to ensure competitive advantage

Many companies with international expansion objectives may be looking to enter new and unfamiliar markets for the very first time. More often than not, the competitive environment in other territories and markets can look significantly different from the company’s home market, where it is likely to enjoy higher market share and the competitive advantages conferred by a strong reputation on high levels of brand awareness.

Market research can fulfill the important function of identifying which competitors are active in the target market, what the relative strengths and weaknesses of these companies are, and how effective it will be to compete with these companies in terms of product/service offering, price, channel coverage and promotional capabilities. External research agencies can gather detailed information of the competitive landscape, highlight the key competitive barriers to market entry and help companies to formulate strategies to position themselves most effectively against the competition and to leverage the areas in which they retain strongest competitive advantage.

4. It will show you that distribution is everything

Marketing and business development strategists often focus on the three most evident and definable aspects of the marketing mix – product, price and promotion. More often than not, however, too scant attention is paid to routes to market, which is surprising given the critical role of the distributor in b2b markets.

This failure to properly understand how products find their way to market is a key reason why many transnational market entry strategies fail when actually put into action, and especially in BRIC (Brazil, Russia, India and China) and other developing countries, where distributor channels are often fragmented and can appear opaque to foreign eyes. Proper channel research conducted by a qualified agency with a local presence is critical if investment in product development, promotions and pricing strategy is not to be wasted. When it comes to international expansion, nothing is as important as getting the channel right, and channel research therefore plays a crucial role in helping companies to take the right decisions on their distribution channel strategies.

5. It will either make you money or save you money

Market research companies obsess about return on investment (ROI), as they cast envious glances at the rewards gleaned by their clients as they implement the recommendations derived from research. Separating the benefits derived from
research from the benefits derived from in-house brainstorming and other sources can be very difficult, and it is clear that market research is just one of many inputs to the business decision-making process. However, it is clear that, when used effectively, market research has a fundamental role to play in helping companies to maximize revenues and long-term profitability. In particular, market research can help to:

- confirm whether the opportunity is big enough, reducing the risk of investing and saving any potential losses associated with misguided investments;
- give decision makers confidence that their assessment of the market opportunity is the correct one, ensuring the correct decision is taken;
- discover if and how the company’s view of the market needs to be refined, thus maximizing the success of the decision.

6. It will prove that your customers don’t care about price

Accurately determining the level at which products should be priced in new markets can be a minefield for organizations looking to expand into new and unfamiliar regions. There is a strong temptation among many companies to assume that a lower price point will be necessary to succeed in developing markets, even where the company may occupy a premium price position in its home market. Simply relying on the views of local sales staff and distributors on optimum pricing can be a recipe for disaster, as the interests of the company and local stakeholders do not necessarily correspond with one another.

Pricing a product is one of the most challenging decisions marketers have to make, and independent market research plays a vital role in helping to determine the optimum pricing level of a product. A variety of different research tools and techniques exist for understanding the trade-offs that respondents make when selecting and purchasing products, such as price sensitivity models and value maps. Research very often helps to illustrate that the growing demand for value in developing regions belies the common assumption that price is always the key driver in markets such as China and India. Very often, research may suggest that a price-cutting strategy, while intuitively making sense, is usually the road to ruin in new markets, where local competition can undercut you from a lower price base. The results of research can give companies a rational basis for increasing prices and growing profits, when the received wisdom may be that only price cuts can secure market share.

7. It will show you that marketing is as important as selling

Marketing, like market research, is sometimes derided in b2b companies. In manufacturing businesses in particular, the salesperson is king, with marketers seen
as support staff. Market research, however, repeatedly proves that strong marketing is the foundation of a strong salesforce, not least in showing that in most markets good sales figures are not about low price. When customers are spoken to independently and confidentially and their responses mythically analysed, it becomes clear that many salespeople are giving value away by charging insufficiently to some customers, at the same time as losing others by charging too much. Marketing at its core is about the profitable satisfaction of customers’ needs, and sales teams routinely have an insufficient understanding of how to achieve this.

8. It will show you that cultural differences are not important

Companies with a local rather than an international focus are often fearful of the prospect of selling to customers operating in entirely unfamiliar cultural environments, frequently assuming that differences between countries are so distinct as to make entering new markets practically impossible. For example, it is very common to assume that personal networks, relationships and face-to-face selling are the only ways to succeed in developing markets such as India and China. While such assumptions have an element of truth, in reality a strategy that relies on a relationship-based sales strategy alone is likely to fail to take account of the myriad factors that inform decision making in b2b markets.

Market research can enable companies to get beneath the surface of decision makers’ thought processes, and develop more sophisticated sales strategies that rely on more than just personal interaction and loyalty. In particular, market research can help to segment target customers into different target groups, according to firmographics (company demographics), needs or buying behaviours, and to help develop customer value propositions (CVPs) that most closely meet the needs of each different target audience. In other words, research can help organizations to realize that cultural factors impinge far less on buying decisions in new markets than factors such as company profile, buying habits and purchasing behaviour.

9. It will show you what is worth measuring and what is not

Companies that are expanding internationally have a thirst for measurement. How much money are we making? How long until we have wiped out our set-up costs? How does our performance in one country compare with our performance in other countries? Market research is all about measurement, and above all about the interrelationship between different data sets. Fundamentally, market research seeks to identify to what extent different variables impact upon growth and profitability. Good market research results in a series of firm actions that should be taken by the client, each of them impacting upon growth or profitability, and each of them measurable.
10. It can help you plan for the future

In today’s globalized world, any company looking to achieve sustained long-term growth needs to seriously consider ways in which international expansion can contribute to its growth plans over the long term. Although many companies may have a strong hunch that entering new territories will act as a catalyst to future expansion, there is still a clear need for impartial research to reinforce this perspective. Effective research will not only examine the long-term opportunity a market presents in terms of market size, customer needs and degree of competitive rivalry, but it will also look to examine the broader market environment and long-term implications that any changes to this environment may have for a company’s strategic approach.

One way of doing this is for the research agency to gain insights from knowledgeable experts and stakeholders, as well as using a variety of published and web-based information to build up a comprehensive picture of how the whole market environment is likely to develop in the future. Research can examine the PESTLE forces (political, economic, social, technological, legal and environmental) shaping a market, and make predictions on how this can affect a company in the years ahead. As well as looking at environmental factors, research can also help companies to make market, product and sales forecasts, based both on internal data and information derived from speaking with a broad cross-section of customers, suppliers, distributors, competitors and experts.

Matthew Harrison is CEO of B2B International. Currently based in the UK, Matthew previously set up and managed B2B International China in Beijing, and also set up the company’s North American HQ. He has 11 years’ experience of business-to-business research and intelligence on a worldwide basis. His clients include the likes of PwC, Shell, ITT, Infineon, Tyco, Reed Business Information, Informa, Tata and Wolters Kluwer. He has written numerous papers and articles for B2B International, as well as for the following publications: American Marketing Association, Asia Research, China Business Review, Marketing News (US), MRA (US Marketing Research Association) and Planung & Analyse (Germany).

Mark Hedley splits his time between B2B’s offices in the UK and China. He previously spent seven years working in mainland China and is a fluent Mandarin speaker. Prior to joining B2B, Mark worked for a business consultancy in Shanghai, assisting US and European companies to enter the Chinese market. Mark has worked with a number of clients from a number of different industries, including the automotive, construction, chemicals, education, food & beverage, engineering, electronics and healthcare sectors. He has considerable experience advising companies on a range of China-related issues, including manufacturing site selection, partner selection and management, IP protection strategies, and the challenges faced in selling to Chinese companies. Mark has written extensively on the Chinese market, including two recent white papers: Marketing & Selling to Chinese Businesses and Entering Chinese Business-to-Business Markets: The challenges & the opportunities.

Further details: website: www.b2binternational.com; tel: 44 (0)161 440 6000
The export challenge

As a growth enterprise, you will want to start to winning work away from home, but you have to be ready for the complications of making and fulfilling international sales, says Jim Sherlock

A British prime minister, Harold MacMillan, once said that ‘exporting is fun’, which proves he had never actually done any. There are many words beginning with ‘F’ that might describe exporting, but ‘fun’ would not be the most obvious. ‘Frustrating’ would certainly be in there somewhere, so would ‘frightening’. But talk to experienced exporters and you will also hear words like ‘fascinating’ and ‘fulfilling’. Yes, it’s ‘complicated’, ‘confusing’, ‘unpredictable’, even ‘infuriating’, but also ‘absorbing’, ‘exciting’, and most importantly, ‘rewarding’.

The fact is that exporting provides a huge diversity of functions and environments which balances the good with the bad and makes it an incredibly worthwhile experience for all those involved. However, the unfortunate fact is that many companies entering into export trade are not properly prepared and will only ever experience the bad side.

If we are to get to the rewarding parts, both in a personal as well as a commercial sense, then we have to accept that there is an enormous range of pitfalls for the unwary and that our job is to prepare ourselves and our companies so that we enter overseas markets in full knowledge of what to expect – and ready to handle it.

First – we have to accept that overseas markets will inevitably be different from our home market, and it is not just that they speak a foreign language. Good research can reveal a myriad of political, legal, economic, technological, social and cultural differences. These have to be considered when we are deciding what we are going to sell and how we will sell it.

Then, when we are successful in getting the enquiries, we are faced with the complex and detailed procedures concerned with converting them into firm orders, getting the goods or services delivered and, most importantly, getting paid.

So what sort of questions would an exporter have to answer before entering an overseas market?

- Do I have the commitment of the whole company to a long-term development of overseas markets?
- Do I have the administrative and financial resources to conduct an efficient operation?
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- Do the current staff have the expertise to market our goods and services successfully overseas and collect payment?
- Can I find appropriate support from my bank, government services and freight forwarders?
- Which markets offer me the greatest potential at the minimum risk?
- What modifications will be needed to make my product/service saleable there?
- What price is the buyer prepared to pay and on what basis (ex-works or delivered)?
- Do I need an agent or a distributor and if so, how do I find one?
- How do I promote my products effectively?
- Are there any Customs barriers that I need to consider?
- How do I cover the risks of theft and damage to my goods in transit?
- How do I make sure that I get my money?

The answers are not always so obvious and will be different from one market to another. However, good research and the use of the many sources of information and advice available both in the UK and overseas will provide many answers.

Specifically, you should first contact your local Business Link – www.businesslink.gov.uk/internationaltrade and talk to an international trade adviser (ITA) who can offer help in almost every aspect of your export planning and direct you to other sources of help and information. Foremost in providing that help is the employer of the ITAs, UK Trade & Investment, which is the export trade development section of BIS (previously BERR, which was previously DTI). They have an excellent website (www.ukti.gov.uk/export.html) full of vital information and links to your local ITAs and other useful sites. It may be that as new exporters you are eligible to participate in the ‘Your Passport to Export Success’ programme which offers hands-on help, essential staff training and subsidized overseas visits.

Register for free on the UKTI website and gain access to a wide range of information and support. In particular, go to ‘Our Services’ – ‘Preparing to Trade’ and try the ‘Are you ready to export?’ online questionnaire covering all of the questions above and many more. The short time it takes you to complete the questionnaire will be time well spent when you print out the subsequent report, which is generated from your responses. It will also allow you to make direct contact with your local Business Link and an ITA who can follow up the preliminary report.

It is often the case that such a report will highlight the need for specialized training for new exporters in export marketing and the technical processes involved in distribution and payment. A number of organizations offer relevant short courses, notably the Institute of Export which offers a comprehensive Short Course Training Programme (details on www.export.org.uk).

Other websites which offer essential support are:

Providing detailed and product specific information on the import requirements and barriers for all non-EU countries
HM Revenue & Customs (www.hmrc.gov.uk/): The Customs site provides a huge range of information regarding export and import procedures, mostly written in plain English.

And all for free.

There is a lot of information and help out there. Just make sure that you are not sharing the fate of the exporter who lost money because:

- Their bone china dinner services specially designed for the Italian market failed to sell at all because they lacked a pickle bowl.
- The Libyan flags in the left paws of the promotional teddy-bears were seen as an insult to the flag and were destroyed. (In most Muslim countries the left hand is for toilet purposes only!)
- The sole distributor they appointed was actually already contracted to sell a direct competitor’s products – which they continued to do with great success.
- The ‘before and after’ photographs which had worked so well for the sale of depilatory creams in English-speaking countries did not work so well when translated into Arabic, which reads from right to left. They forgot to reverse the pictures!

And how about the loss of £155,000 worth of goods because a comma instead of a full stop on an invoice presented against a Letter of Credit meant that the bank rejected the documents. The buyer, quite legitimately, refused to pay and, because the exporter did nothing, the original buyer then picked them up at the auction in the port of destination some 10 weeks later at a quarter of the original price.

All could have been avoided with some basic research and good advice.

Finally, and with particular reference to the current UK domestic credit crunch and, perhaps more importantly, an ongoing global recession, current economic research consistently shows that companies that export to any country, in any financial climate, perform better than those that don’t.

They say that companies that export:

- improve their productivity;
- achieve levels of growth not possible domestically;
- increase the resilience of their revenues and profits;
- achieve economies of scale not possible domestically;
- increase the commercial lifespan of their products and services;
- increase the returns on their investment in R&D;
- improve their financial performance.

In other words, professional exporting is just about the best way to survive the recession.
Jim Sherlock FlEx (Hon), Cert. Ed. Following management experience in the UK export manufacturing sector, 20 years as Senior Lecturer in International Trade at Central Manchester College and 10 years as Director – Educational Projects of the UK Institute of Export, Jim is now a full-time writer, trainer and consultant in international trade.

Co-author of *International Trade* (Kogan Page, 3rd edn 2011) and author of *Principles of International Physical Distribution* (Blackwell), he is also currently the senior tutor for the online qualification, Certified International Trade Adviser (see www.citaworld.co.uk).

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Exploring new markets

*Rakesh Sharma at British Airways discusses how to explore some of the world's fastest-growing markets*

Whatever business you are in, you will have taken notice of the rapid growth that is sweeping through Asia, Africa and Latin America. You may well be in the process of considering expanding your product/customer base to take advantage of this.

British Airways is among those expanding their reach in these territories. Just because it is right for British Airways, it is not automatically the right thing to do for all companies. A multitude of considerations need to be taken into account before committing to overseas expansion.

**Research**

Although you will have researched your business idea before starting up in your home market, the same, or even more, care and attention need to be given when thinking of expanding internationally, as the stakes could be higher. Just because your product/service works in one country does not mean it’s right for another.

Also, the positioning of your product or service may need to be rethought. You may be the brand leader in your home market, and your product or service may be positioned as a premium offering that you can charge a premium for, but will it be the same in international markets? How are other competitors perceived in the market? Where is the gap? What are they doing?

**Social etiquette and business protocol**

Consider the cultural norms and social etiquette of the countries you are thinking of expanding into. Countries in Asia and the Middle East have strict standards on what is and what is not acceptable. For instance, in India, you should only use your right hand to eat at the table; in terms of doing business, arriving late to a meeting in China is considered an insult.

Understand business protocol. Think about how you should introduce yourself or greet a person. Whom should you address first?
REWARDING THE BUSINESS WITH THIRTY EMPLOYEES, NOT THIRTY THOUSAND.

All businesses matter to us at British Airways. That’s why we’ve designed On Business, a free loyalty programme for small to medium sized businesses. Just like Newgate Clocks and their team of thirty in Shropshire. It’s also why we’re featuring their colourful clocks in our advertising. With On Business, companies like this from around the world can earn On Business Points on every qualifying flight to save money on future flights, upgrades and hotels.

To see how your business can benefit, visit ba.com/onbusiness or contact your travel agent.

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Language

Although most countries will speak English, it’s never a bad idea to try to learn the language of the country you are planning to do business in. Even if it is just the basics, this can show respect. Think about translations – does product packaging need to be translated or will English suffice? Will you require local staff who are able to speak the language? Are there different dialects where you will operate?

Financial advice

Seek solid financial advice; can you afford to branch into a new market? What are the risks if things do not work out as planned? Could you be putting your existing business in jeopardy?

Legal

Take account of any laws restricting non-residents of the country from setting up businesses or, in some cases, non-nationals could also be encouraged to set up businesses. Ensure you understand the employment laws, as it is likely they will be very different to the ones in your home country.

Environmental regulations

As an airline, British Airways is heavily impacted by environmental laws and has become proactive in looking at ways to help the environment. For instance, in September 2011, British Airways became the first company to offer its customers the ability to support low-carbon community projects across the UK through the new One Destination Carbon Fund. What environmental regulations (if any) could impact your business/production of your product?

Systems/suppliers/logistics

Can your current IT infrastructure cope with dealing in foreign markets? For example, do your IT systems have the capacity to deal in different currencies – which ones are necessary for your expansion? How will your systems cope with different addresses? For example, countries as close as Ireland do not have postal codes. So making postal codes a mandatory field in an application will cause issues.

If your business involves a product or service being delivered straight to the customer, can you reach them? What are transport links and postal services like? If you need to visit your suppliers regularly during the start-up period to quality-check your
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goods, is this a relatively simple trip, or does this take you out of the office for long periods of time and is the IT/telecoms structure sufficient for you to work on the move?

Alliances

Consider alliances when expanding. Existing companies within the market will have a certain level of knowledge already, and have established a position and contacts. It may also be a way to remove some of the red tape in entering the market and create immediate synergies. However, ventures such as this will still need to be entered into with a great deal of care.

Rakesh Sharma manages the Global SME proposition for British Airways Plc. He has several years’ experience within the aviation industry in developing strategic relationships with SME organizations, focusing on aiding SMEs break into international markets. He specializes in providing global companies with bespoke travel solutions for their international business requirements: e-mail: Rakesh.1.Sharma@ba.com

Reaching markets and saving money on your business travel

Over the last couple of years, British Airways has been building even more alliances with other airlines. The Joint Transatlantic Business with American Airlines and Iberia will give customers access to a global network of over 400 destinations, more convenient schedules and better connections.

The merger with Iberia in January 2011 means a further expanded network, opening up more destinations in South America to British Airways’ customers. In recognizing the opportunities in Asia and Latin America, British Airways has recently increased the frequency of flights to Rio de Janeiro from three a week to a daily service and created a non-stop service to Buenos Aires.

Managing business travel

Whether expanding in terms of location, customer or supplier base, British Airways’ vast network creates opportunities for businesses to travel to where they need to do business. With the On Business Programme, British Airways can also help businesses save money.

On Business

British Airways’ loyalty programme for small to medium-sized companies can provide companies with savings on their business travel. For example, in the 12 months prior to
31 March 2012, On Business members saved £14.5 million through British Airways’ loyalty programme.

With On Business, companies earn On Business Points on flights with British Airways, but now also on selected flights with British Airways’ partners American Airlines, Iberia, Qantas and flights operated by Comair, which in turn can be redeemed for flights and upgrades on British Airways or for stays at Marriott Hotels around the world.

For example:

- Two qualifying return flights between London and Johannesburg in World Traveller Plus can be redeemed for an e-certificate for a one-night stay in a Marriott hotel.

- Eleven qualifying return flights on British Airways in Club World between London and Delhi can be redeemed for a reward flight in Club World (taxes, fees and charges payable).

British Airways’ vast network provides plenty of opportunities to earn On Business Points to save on your business travel. Just make sure that when you or your colleagues travel, your On Business number is always inserted into the booking.

The On Business programme is not just available to companies in the UK but available to join in over 50 countries. Following the growth in Asia and Africa and the need for business travel, the On Business programme went live in Nigeria in 2010, already being present in South Africa, and in 2011 launched in China, Japan, Thailand and Singapore among other existing countries in Asia.

To find out more and enrol, go to ba.com/onbusiness.

The Executive Club

As well as saving money on your business travel spend with On Business, British Airways’ award-winning Executive Club programme can also benefit you and your travellers personally.

Members of the Executive Club can earn Avios on flights with British Airways and its partner airlines as well as collecting them with shopping partners. These can be redeemed for flights, upgrades or in some countries hotel stays and car rental.

In addition to collecting Avios, when you fly you’ll also earn Tier Points, which can help you move through the tiers of Blue, Bronze, Silver and Gold. Your benefits increase as you move through these; for instance, if you reach Silver tier status, you can escape to British Airways’ business lounges, offering a place to relax or work while you are at the airport.

To find out more, just go to ba.com/theclub.

For more information about British Airways or its On Business programme please visit ba.com.