



Business Development Division

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## Are You Ready to Commit to Successful Exporting? Goal Setting

1. What is our goal in exporting? Brand growth? Opportunistic revenue? Relief of excess inventory? A solid and ongoing revenue stream from outside the U.S.?
2. Does the goal of exporting complement other company goals?
3. Will we invest resources, personnel, production capacity and finances? How will these resource demands be met?
4. What is the target return, revenue target, or other metric? What goals and objectives are we going to set for ourselves?

Answering these questions can clarify how international business should be undertaken:

### **I. Management's Export Experience** – What Experience do you have exporting?

1. Have you previously made sales outside the U.S.? What lessons were learned from these export experiences?
2. Have you received inquiries from outside the U.S.? In which countries?
3. Have you gotten interest from foreign buyers at trade shows?
4. Which products/product lines are mentioned most often?
5. Is the trend of sales/inquiries up or down?

### **II. Management and Personnel** – Is there a top level commitment to international business?

1. Is senior management committed to exporting? If not, do not pursue this any further.
2. Who specifically do you envision to be responsible for the export function, and would you be willing to have them devote at least 50% of their time to international business?
3. Is a senior manager prepared to allocate 25% of their time to developing international business?



## III. Production Capacity – Can we support additional demand?

1. Will filling export orders hurt domestic sales?
2. What is the cost of additional production?
3. Are there fluctuations in the annual work load? When? Why?

## IV. Financial Capacity

1. How much working capital can be tied up in exports?
2. What export operating costs can be supported?
3. How will initial expenses of the export effort be allocated?
4. What other new development plans are in the works that may compete with export plans?
5. By what date must an export pay for itself?
6. Is outside working capital necessary?

After these questions are considered, it is useful to set some very high level goals: e.g. “I want to find a viable distributor for my product and see them ordering four times a year.”

Best case, you should review your commitment and plan semi-annually, comparing actual against budget. Modify the plan to make it more specific as new information and experience are gained.

