



Are you Export Ready?

Some companies start exporting after they receive an enquiry from an overseas customer, but then fail to ensure that **ALL** parts of their business are export ready. Having export sales does not necessarily mean that the correct foundation for a successful exporting business has been laid. If you are thinking of exporting you can use the following checklist as a tool to see if your business is export ready.



1 Your Motivation

Understanding why you are exporting is important in determining if you are ready to complete this checklist. If you are planning on incorporating exporting as a long term operation, you should continue with the checklist.

- Are you planning on exporting strategically?

2 Your Company

Having an established Australian customer base gives potential international customers confidence in your current operations. It allows them to see that you are a reliable supplier. Also, domestic success will help provide you with the necessary cash flow and working capital required to export successfully.

- Are you prepared to make exporting a legitimate and integral part of your business plan? Is management prepared to make a long-term commitment to sustain the company's export?
- Does your company have a good track record of meeting production/delivery deadlines?
- Does your company have a proven track record competing in the Australian market?

Your Target Market

Researching a viable market is the first and most vital step in selecting your export destination. Knowing how overseas markets work and who your competitors in the market are will help you price your exports effectively and competitively. Also knowing the necessary requirements for accessing your chosen market are vital as these requirements will affect your export process.

- Have you researched a market that has a demand for your commodity?
- Have you conducted market research on your potential target market's:
 - Religious and cultural practices and sensitivities
 - Customs requirements and quarantine restrictions
 - Trading preferences, payment terms and quotas
 - Licences and specific labelling
 - Free Trade Agreements (FTAs), tariffs, phytosanitary requirements or any other barriers to entry

4 Your Product

Most exporters need to make some alterations to their product in order to prepare it for an overseas market. Required changes may be as simple as different packaging or labelling but could be more complex depending on your market.

- Is your product acceptable to your target market in its current form?
- Do you have a clearly defined selling proposition for your product and can state why overseas competitors should buy from you and not your competitors?



Your Logistics

Selecting the correct option of freighting for your business is a high priority and is vital to exporting success. In this decision factors such as price and payment method should be taken into consideration. Not getting your export pricing right can result in losses due to unforeseen costs. Also, chasing outstanding debtors overseas is a difficult task, selecting the right payment option for your business will reduce the risk on non-payments.

- Have you considered the logistical demands of exporting? E.g. Where are you in the exporting supply chain?
 - Have you investigated physical infrastructure that may limit your export potential? e.g. the location of packing houses and the location of ports
 - Have you investigated engaging the services of a sales agent or distributor?
 - Have you investigated/hired a potential freight forwarder or customs broker?
 - Have you considered the best freight option for you? E.g. Air or Sea?
- Have you determined pricing and understand what costs this pricing should include?
- Do you have an understanding of payment options for international transaction (e.g. Letters of credit, online payments) and managing foreign transactions?



Your Production

One of the fundamental principles of export readiness is understanding that your ability to export is dependent on the availability of your product. If you do not have a yield greater than the demand of your current domestic buyers then it may not be a worthwhile investment to seek overseas orders.

- Can you produce a yield large enough to service your chosen target market?
- Can or are you willing to alter production methods according to particular biosecurity demands of your market?
- Does your product meet government regulations and safety standards in your target market?
- Can you increase production in response to demand? If so, do you have enough trained staff to handle the increased production?



Your Marketing

You will need a website and other marketing materials that will help overseas customers be confident in your abilities as a quality producer and reliable supplier. If you do not have overseas business connections then quality marketing materials will help you open doors to new opportunities. You should tailor your material for an export market and focus on commodities that are available for export rather than focusing materials on domestic customers.

- Do you have promotional materials suitable for overseas customers such as a website and brochures?
- Have you considered the translation of promotional materials into the language that is relevant to your target market?
- Are you willing to undertake business trips to the target market in order to promote and market your product, as well as conduct business negotiations?

Your Financing

Successful exporters support their overseas partners in a range of ways that include visiting the market. Exploring different funding options available to your business is important in understanding your financial ability to be a reliable exporter.

- Do you have sufficient financial strength and resources to develop overseas markets? This includes financial resources for market visits and the ongoing marketing of your product overseas.
- Have you explored funding options such as the Export Market Development Grant (EMDG) offered by Austrade or any other governmental financial assistance package?

Your connection with the Department of Agriculture

In order to be an exporter of vegetables and potatoes you must be in contact with the Department of Agriculture (DoA). Understanding the role of the Department of Agriculture to your export operation is vital.

- Are you aware of relevant licensing and registrations required?
 - Have you registered your business with the DoA as a producer?
 - Have you researched any other market specific documentation you may require?
- Have you explored the MCoR database regarding your markets entry requirements?
- Have you familiarised yourself with the EXDOC system and registered as an exporter?

Ready?



This is perhaps the most vital question and requires serious thought into whether or not your business is ready to take on international customers.

- If you received an export order tomorrow, are you confident your company could process and deliver the order on time?**

For more information see the Guide to the Export Process on the AUSVEG website:
www.ausveg.com.au.