

Developing an Export Strategy – A Simple Guide for Vegetable Growers



VegExportNotes are designed by AUSVEG specifically for levy-paying vegetable growers to enhance industry trade knowledge. The content provided in VegExportNotes is based on the best available information at the time of publishing.

An export strategy helps businesses to identify the course of action or set of decisions to achieve the specific export goal. It summarises how a company will pursue these export goals: what target markets have been chosen and why; and how the product will be modified to meet international customer expectations. It will identify immediate opportunities, articulate competitive advantage, and map out how company resources will be used to make progress in export.

You should include the following key elements when developing your export strategy.



1. About the company

Outline your business history and the key success factors in the domestic market that have led to where the business is today. A strong and successful domestic business provides a solid foundation to develop a viable export business.

2. Goal setting

Outline your export goals in the short-, medium- and long-term. Goal setting is a process that helps you decide what you want to accomplish in a given timeframe, and sets the direction for how you will achieve the desired results. Ideally, include forecasted sales figures and time frames to ensure your goals are realistic.

3. Production and Product

- **Products for export**
Include the unique selling proposition that makes your product attractive to international customers.
- **Production capacity**
Provide details of current production capacity and forecast production capacity. This will assist you in discussions with prospective customers because you will know whether you can expand to meet their needs and/or alter production to grow to the specifications they are seeking.
- **Possible changes to product specification for export markets**
Outline possible changes that will need to be made to your product for international markets. These include packaging design, product specification and sizing, labelling, and design changes.

4. Market Selection

- **Target Markets**

Detail your target markets and the key selection criteria. Less is more, do not choose too many markets at the beginning as it exposes you to greater risk. Spreading your resources across too many markets may result in reduced return on investment.

- **Positioning in target markets**

Always remember there is no one-size-fits-all market positioning method. Your market position in international markets may differ to your domestic market positioning.

- **Competitor Analysis**

Conduct research on your competitors and competing products in your target market to understand your competitiveness. At the least, you should understand key competitor countries and leading products in your category.

- **Freight and Logistics**

Outline how you will deliver your product to the end customer in each target market.

5. Market Entry

Outline your market entry strategy. There are various market entry options available and each market entry option has different implications for your business. You should identify the best market entry option that fit your business goals and export aspiration.

6. Financial Resources

- **Pricing strategy**

Outline your pricing strategy and how you will manage export pricing under different circumstances such as currency fluctuations, freight costs, competitor pricing, and the accepted price point in your target markets.

- **Marketing budget**

Detail your marketing budget including website and collateral development, international market visits, advertising, and promotional materials and activities.

- **Cash flow**

Consider how the business will manage cash flow for additional orders. Different markets have different payment terms and it is highly likely that you will need to manage your cash flow between bearing supply costs and receiving payment.



Assistance available:

There is a range of assistance available in getting you export ready. The information above should act as a starting point in preparation to export. Should you have any questions in exporting, please contact AUSVEG at 03 9882 0277 or email: export@ausveg.com.au