



PREPARING YOUR PRODUCT FOR EXPORTING

A USERS GUIDE

Is Your Product Export Ready?

Selecting and preparing your product for export requires knowledge of the unique characteristics of each target market. The extent to which your company is willing to modify products sold for export markets is a key policy issue to be addressed. Some exporters believe their domestic products can be exported without significant changes. Others seek to develop uniform products that are acceptable in all markets. It is very important to do research and to be sure of the right strategy.

Product Adaptation

To enter a foreign market successfully, your company may have to modify its product to conform to government regulations, geographic and climatic conditions, buyer preferences or standards of living. Your company may also need to modify its product to facilitate shipment or compensate for possible differences in engineering and design standards. Foreign government product regulations are common in international trade and are expected to expand in the future.

Additionally, buyer preferences in a foreign market, such as religious practices or the use of leisure time, may also lead you to modify your product. Finally, market potential must be great enough to justify the direct and indirect costs involved in product adaptation. Your company should assess the costs to be incurred and, though it may be difficult, should determine the increased revenues expected from adaptation. The decision to adapt a product is based partly on the degree of commitment to the specific foreign market; a company with short-term goals will probably have a different perspective than a company with long-term goals.



Engineering and Redesign

Your company should be aware that even fundamental aspects of products may require changing. For example, electrical standards in many countries differ from those in the United States. Knowing the requirements, the manufacturer can determine whether a special motor must be substituted or if a different drive ratio can be achieved to meet the desired operating revolutions per minute.

Similarly, many kinds of equipment must be engineered in the metric system for integration with other pieces of equipment or for compliance with the standards of a given country. The United States is virtually alone in its adherence to a non-metric system, and U.S. companies that compete successfully in the global market realize that conversion to metric measurement is an important detail in selling to overseas customers. Even instruction or maintenance manuals should provide dimensions in centimeters, weights in grams or kilos, and temperatures in degrees Celsius. Information on foreign standards and certification systems is available from the National Institute of Standards and Technology (nist.gov).

Branding, Labeling, and Packaging

Consumers are concerned with both the product itself and the product's secondary features, such as packaging, warranties and services. Branding and labeling products in foreign markets raise new considerations for your company, such as:



Foreign Buyers

Are international brand names important to promote and distinguish a product? Are the colors used on labels and packages offensive or attractive to the foreign buyer?



Language

Can labels and instructions be produced in official or customary languages if required by law or practice?



Country of Origin

Does information on product content and country of origin have to be provided?



Units

Are weights and measures stated in the local unit?



Labels

Must each item be labeled individually? What is the language of the labeling?



Foreign Taste

Are local tastes and knowledge considered?



Shipping Your Product

In addition to market considerations for packing and labeling your product you will need to comply with U.S. export and foreign import documentation, shipping methods, and payment collection standards. You should seriously consider utilizing the services of a reputable freight forwarder to handle the many documentary requirements that exporting requires. An international freight forwarder is an agent that ships cargo to an overseas destination.

While many documents are standard, requirements will vary depending on the transaction. U.S. export and foreign country import requirements for the product, and the port of entry, shipping method and final destination. Some of the services provided by freight forwarders include;



Preparation & Requirements

Preparation of price quotations such as, freight costs, port charges, consular fees, additional documentary requirements, insurance costs, and freight forwarders handling fees.



Transactions

A single point of review for final shipping and recording of documentary procedures also expedites smooth facilitation of payment with the buyers, or the buyer's bank.



Arrangements with Customs Brokers

Freight forwarders can also make arrangements with customs brokers overseas to ensure that the goods comply with customs import documentation regulations. A customs broker is an individual or company that is licensed to transact customs business on behalf of others.



Recommendations

Finally, the freight forwarder can make recommendations on optimal cargo insurances to hold on your shipment and advise you of broker/dealers that can provide vital insurance against non-payment and political risks in your country of import.



Packaging Methods

Optimal packing methods during transit as well as repackaging into containers and storage at port of entry and arranging reservations for on-shipment inland are all standard services offered by freight forwarders.

Installation

Another element of product preparation your company should consider is the ease of installing the product overseas. If technicians or engineers are needed overseas to assist in installation, your company should minimize their time in the field if possible. To do so, your company may wish to pre-assemble or pretest the product before shipping or to provide training for local service providers through the web, training seminars or DVDs. Your company may consider disassembling the product for shipment and reassembling it abroad. This method can save your company money on shipping, but it may delay payment if the sale is contingent on an assembled product.

Your company should be careful to provide— in the local language— all product information, such as training manuals, installation instructions (even relatively simple instructions) and parts lists.

Warranties

Your company should consider carefully the terms of a warranty on the product (and be very clear about what the warranty covers) because the buyer will expect a specific level of performance and a guarantee that it will be achieved. Levels of expectation and rights for a warranty vary by country, depending on the country's level of development, its competitive practices, the activism of consumer groups, the local standards of production quality and other factors. Product service guarantees are important because customers overseas typically have service expectations as high as or greater than those of U.S. customers.



EXIM and Small Businesses

If your small business is ready to begin selling abroad, or looking to expand into additional foreign markets, contact one of our EXIM Bank trade specialists today!

grow.exim.gov/contact-a-trade-finance-specialist

Helpful Information



Basic Guide To Exporting

Learn the basic fundamentals of exporting and turn export opportunities into sales.

grow.exim.gov/basic-guide-to-exporting



Guide to Export Credit Insurance

Learn how to protect your foreign receivables from bad transactions.

grow.exim.gov/eci-ebook



EXIM Blog

For the latest insights, events and resources in the world of exporting, visit the EXIM blog.

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