

Developing New Overseas Channels for your Export Business? – A Project Based Approach!

Has your business revenue and growth rate reached a plateau in the USA and/or Europe? Is organic growth simply not going to take your company to the size that your investors need it to be? Many companies face this challenge but do not have the financial wherewithal to grow by merger and acquisition. The challenge is to move into new and relatively untapped markets, these are very often found outside the boundaries of the home market and the need to look overseas is glaringly obvious. Yet it is not so simple as it may first sound! You might know which of your products you want to export but do you know which country to start with, is it Japan or Korea or China or India or even smaller countries such as Singapore or Taiwan or Australia and it simply is not practical to cover them all. This is without even asking questions such as what mods will need to be done to the product and packaging, what export terms do we use, how will we get paid, what taxes are imposed, what transfer pricing will be required, what warranties will be obligatory, will we need local staff etc. etc.

Then there is the question "who can we get to handle this?" Joe always takes his vacation in someplace like Bangkok or Beijing so he is probably a good candidate! The bottom line is would you take Joe, a Detroit automotive sales manager and ask him to go and close business in Korea or take Pete, a London IT sales manager and send him to set up distributors in China? Of course you wouldn't but the reality is that this is exactly what companies are doing – they are expecting their good people to manage setting up overseas business in the same manner as if it were their home based business. Believe me it is a world apart and I don't just mean geographically – it's culturally and business practice wise so varied from country to country and that doesn't even touch on the language issues.

So many companies have failed miserably when trying to set up their international business channels. A company would never think twice about creating a new production line without a project manager and a well structured project plan, even firms fitting new kitchens these days offer a project manager so why would you approach such a critical process of growing your global business on an ad-hoc basis? Would you appoint an IT project manager to manage the build of a water treatment plant or a project manager of a washing machine plant to build aerospace engines - No! So why do so many companies believe they can succeed in international markets by using an American or European centric resource? This is an international sales and marketing task where the markets are very different than that of the American or European so doesn't it make sense to use an appropriate resource? Think of this venture like a project and think of your International manager like you would a project manager – they have a difficult task to accomplish and need to approach it professionally, you need a lead person who has the skills and experience of not just managing overseas agents but a hunter that has worked the territories before, knows the trail and can sniff out the right targets. He needs to understand how overseas channel partners think, what drives them and turns them on and to be able to empathize with them (for more detail of understanding channel partner mentality go to article [What makes a good channel partner](#))

I remember when I worked for a data communications company, we were doing quite well throughout the APAC region via our existing agents and distribution channels but we needed an order of magnitude increase to grow the company to the next level. I approached the International VP and told him that I needed to remove myself from the international channel management role and focus on a new growth strategy. I planned, managed and focused my effort and channeled all my energies into striking up an OEM deal with one of Japan's largest companies. Because of the strategic and planned approach and with good tactical positioning I was able to secure the deal which yielded an enormous increase to our Far East revenues and ultimately had a huge impact on the share price of the company as a whole. Of course it left me with another problem and that was I had to source manufacturing for this scale of volume in Asia and to negotiate with the Taiwanese to get this up to speed asap, but it was a nice problem to have. The message here is that I managed the task like a project, I had the connections in Japan, knew how to deal with the Japanese from my past channel role and did not try to shoehorn it in with my day to day job of managing the existing partners.

Yet it is not only the key individual that makes it a success. Like all successful projects they start with capturing the requirements and creating a requirements specification, defining a solution, building a solution, trials and tests and rollout. It has a timeline, budget and cash flow. The foregoing tasks can be translated into **Discovery** – in brief the establishing of the products or services that can be effectively and profitably introduced to the overseas market, a readiness to export survey, reviewing agreements and having a market plan, what costs will be required, will technical support be needed out in territory and how much and for how long etc. **Research** - What channel structure is best suited to your portfolio, which locations are lucrative and compatible, market size and acceptability, how do your competitors operate, attending trade fairs and exhibitions to glean local knowledge and so on. **Engage** - striking up discussions, working contacts, meeting players, evaluating strengths and weaknesses, what investment they will make, selecting the right channel, have them test trial your products, come up with a local rollout marketing plan etc. **Administer** - monitor the whole process with cross checks to the original requirement and refinements. **Manage** - ensure the process is running to time and budget, communicate with other internal stakeholders, make sure the introduction of your product to the local market is going as planned. Only then will you **Succeed**. Think of this as your international **DREAMS** model approach and conduct it like you would any other project.

You might have read all this and be thinking yeah it all makes sense but our organization simply doesn't have the manpower to spare to focus in this depth and detail, we will just have to use our existing resource that manages the region. Well that's your decision but you might want to look at external resources that specialize in this sort of business, have done it successfully many times before and can work alongside your existing team without you losing control. There are pros out there that will act as an extension of yours, even carry your business cards and act on your behalf and when the job is done they will hand off to your existing management team. You are now thinking OK but that will cost me lots of extra money over and above my current budget, well there may be a small extra charge but there are those that will take the bulk of their reward out of the initial sales that are delivered from the new channels and this makes it a win / win business proposition. If you do look externally make sure you look at those that can provide you with an end to end service and approach it in a methodical and structured manner. Look at www.Expandinternationally.com as a starter.

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