Export Readiness Assessment
Purposes, Key Factors & Tools

Maurice Kogon
Director
Center for International Trade Development
El Camino College

NASBITE 2009
Export Readiness Assessment

Why – What to Look For

- **Assessment Objectives**
  - Self-assess export readiness (the company)
  - Screen firms with export potential (counselors)
  - Understand factors affecting export readiness
  - Identify/overcome export weaknesses
  - Become export ready

- **Prerequisites to Look For**
  - Adequate Resources -- Money, Inventory, Staff
  - Market Potential - Needed, Competitive Product
  - Committed Management - Patient, willing to spend
  - Sound Marketing Methods - Distribution, promotion
Company Resources

- Need Adequate Budget for Export Initiatives
  - Exporting can fit your budget
  - Small budgets can produce export results
  - The more you invest, the greater the return

- Need Adequate Capacity/Inventory to Fill Orders
  - Idle capacity can be put to export use
  - Working Capital Guarantees/Loans to Meet Orders

- Need Adequate Staff for Export Operations
  - Hire or Train

- Need Management Commitment to See it Through
Market Potential - Positives

- You have strong domestic sales
- You’ve had unsolicited foreign inquiries
- You’re price-competitive domestically
- You’re "superior" in some key way
- You can adapt to the market
Market Potential - Negatives

- Product transportation costs are high
- Product needs on-site user training
- Product needs extensive on-site service
Management Commitment

- Management exports for the “right” reasons
- Management sees exports as important
- Management is willing to be patient
Operating Methods

- Market research and planning are SOP
- Company has a sales/distribution network
- Company markets/promotes its products
- Workload is delegated and not closely held