



United States African Development Foundation

EXPORT PREPARATIONS AND BUYER COMMUNICATIONS

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Preparing Clients for the Export Market



Session Objective

Assist country teams in preparing export-product clients to deal effectively with international buyers.

Buyer Expectations



“Developing buyer confidence in dealing sight unseen in Africa”

- Professionalism: timely response with correct and sufficient info
- Ability to deliver quality and quantity on time
- Assumption of export experience
- High quality product
- Low costs
- Tax-free status
- Market growth potential

Buyer Concerns



- Timing, production and delivery of product
- Quality, availability and cost of samples
- Whether production quality will match the approved sample
- Banking, payments and exchange rates
- Ease of direct communication, computers, e-mails, telephones, faxing
- Quality of business management

Competitive Environment



- Varies by product (some unique to Africa, e.g. organics; others easily replicated e.g. textiles, home decor items)
- Danger of undercutting by copycats, from within and without
- The stronger the competition, the greater the need for constant product improvement and innovation
- Need to differentiate product(s) and customer service
- Need for trademarking and/or patent

Are You Ready? Vendors Must Be Prepared for Export



Understand the business and product

- **Dedicated marketing/customer service rep?** They have time, experience, language abilities (English, French, Spanish, Japanese), communication channels (telephone/e-mail), etc.
 - **Can you deliver on orders?** Secure raw materials supply, ramping up production to meet order volumes, packaging, labeling (int'l standards e.g. washing instructions/ content/ingredients etc., delivery options (FOB or CIF/air or sea or overland)
 - **Identification of market for product** - niche or mass market demand, size, commodity item (e.g. paprika/sugar/coffee/dinnerware) or periodic purchase (e.g. art/furniture), existing market or need to create category, affects pricing

Are You Ready? continued



- Know your position within the business partnership framework
Example: buyer, broker, distributor, wholesaler, retailer
- Understand the importance and need for marketing materials and promotion
- Awareness of world market pricing by trade standards or wholesale standards
- Find a customer with a need
- Understand your market share to prevent pricing deficits

Vendor: Basic Paperwork and Materials Needed



- Letterhead with all contact information
- Documentation of production/processing steps
- Current catalog or price list on letterhead or stationery that identifies with your organization/cooperative
- Inventory list
- Certificates or import documentation
- Internet presence recommended (only one that is kept current)

Managing Customer Relations



Standard reply to first inquiry:

- Send price list or catalog with reply – personalized to specific needs
- Timeliness of response within 48 hours
- Shipping sample product – how big is a sample?
- Do you charge or is it free?
- Initial photos of process/product to tweak interest
- Develop file of standard information that can be sent easily and quickly

Managing Customer Relations



2nd Communication

- New accompanying letter, best time to reach you
- Inclusion of laboratory results re: quality of product
- Options for shipping, FOB, FedEx, air, sea
- Minimum quantity orders
- Quantity order discounts
- Next group of photos - avoid sending 'posed' pics with no action
- Request placement of the order/purchase order

Contract



- Work with buyer-standard contract — know what to watch for
- Include terms favorable to the seller
- Be sure of your break-even/bottom-line price
- Figure appropriate profit margin/markup
- Include payment terms, deposits
- Define the manufacturing / contract cancellation policy
- Don't sign anything you don't understand!

Order Delivery



Packing, shipping

- Must meet due dates and deadlines
- How to — packaging material requirements
- Weigh and verify contents of shipment
- Label packages/boxes — verification system
- Develop a packing list
- Letters of credit
- Bills of lading, number tracking
- Work with a shipping agent/roles and responsibilities
- Export paperwork needed for U.S. entry

Confirmation to Buyer



- Confirm shipping requirements/timeline
- Provide buyer with complete shipping information
- Send a follow-up note to assure it's been received
- Request feedback

Developing your Website



- Take quality pictures of samples – plain background and adequate lighting
- Assure file size permits quick download of photos
- Test your site to be sure it's easily accessible
- Assure accurate descriptions (color, size, weight)
- Update quantities available - weekly
- Indicate when product is out of stock
- Establish PAYPAL system

References and Market Research



- CATGEN (catalog generator) www.catgen.com
- COFTA (Cooperation for Fair Trade in Africa) www.cofta.org
- Color Trends in home decor/textiles www.pantone.com

Other useful sites - for vanilla in particular.

- www.Benjerry.com
- www.genmills.com
- www.smallplanetfoods.com
- www.vanillamoon.org
- www.faeriesfinest.com
- www.arizonavanilla.com
- www.bostonvanillabeans.com
- www.comorosvanillabeans.com
- www.vanillafromtahiti.com
- www.nielsenmassey.com
- www.worldpantry.com