

An aerial photograph of a city at sunset. The sun is low on the horizon, creating a bright orange and yellow glow that transitions into a deep blue sky. The city below is densely packed with skyscrapers and buildings, many of which are illuminated with lights. A prominent road with a red light trail runs through the center of the city. In the bottom right corner, there is a black box with a yellow and green border containing the text 'export finance australia'.

DEVELOPING  
YOUR EXPORT  
STRATEGY

export  
finance  
australia

# DEVELOPING YOUR EXPORT STRATEGY

Many Australian businesses fall into exporting when they win a contract and may not adequately prepared or set up for international trade. We know you need trusted information, support and advice to help you succeed, quickly.



## This guide will help you understand:

- Key steps to exporting – finding the right partners and knowing where to get advice
- how to manage export risks
- accessing export-related finance
- resources – key organisations and associations that can help you get export ready.

# KEY STEPS TO EXPORTING

The decision to export, or enter into an export-related contract, is a great opportunity for many businesses to grow and expand sales, but it is not right for every business.

Before entering into export activity, you should address the following considerations to decide whether export is right for you:



## Management commitment and resources

Expanding or investing overseas takes a lot of work. Do you have the right senior team in place to drive and support everything that is needed to make it work?



## Financial resources

Setting up export operations in a new market and dealing with overseas buyers will take a toll on finances. Have you considered how you will finance your business growth?



## Market entry

Knowing demand exists is only the first step. Have you assessed your market entry options and requirements to set up operations in a new country?



## Export experience

The ability to draw on the export learnings of others is invaluable. Do you have staff or a network of contacts with export experience you can tap into for insights?



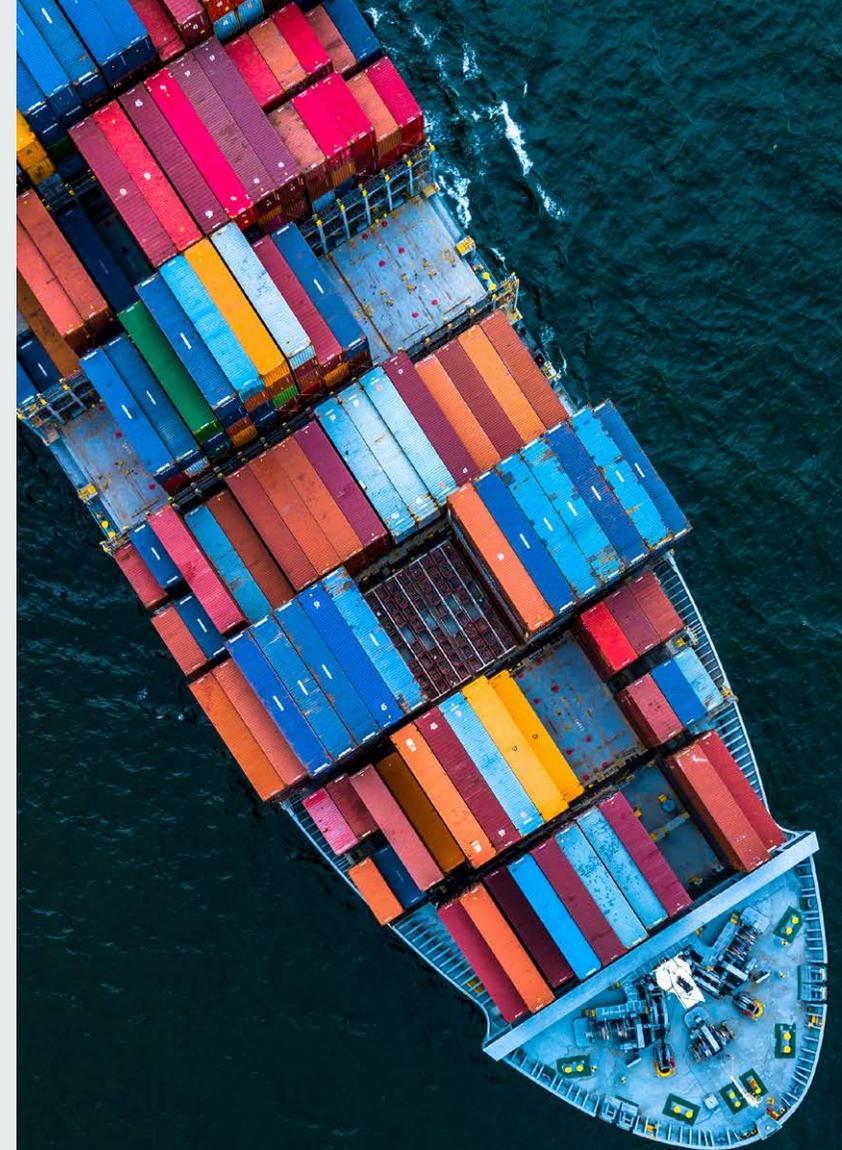
## Market demand

A solid customer base in a new market is critical. Are you confident demand is strong enough for your product or service?



## Timeframes

Exporting is a long process: from making the decision to go overseas to having up-and-running export operations can take between one to three years. Have you factored realistic timeframes into your business planning?



# SETTING YOUR BUSINESS UP FOR EXPORT SUCCESS

While there will always be things that take you by surprise on your export journey, you can set your business up for success by covering these important steps to prepare for exporting:

- 1 Develop a robust export strategy, and stick to it**

Exporting brings up a lot of different options, whether they are potential markets, buyers, or partners, that aren't part of the plan. It can be easy to get sidetracked, and while it's important to consider your options carefully, stay focused and stick closely to your export strategy.
- 2 Consider the positioning of your product or service in a new market**

When considering if your product or service will succeed overseas, you need to think about your positioning, which will include price points, quality and competition among other things.
- 3 Build an experienced and flexible team**

You need to know you have the expertise and resources to support you when you win a big export contract, but in the early years of exporting the flow of work may fluctuate. Getting the right team, with the ability to be flexible, will be key.
- 4 Identify strong local partners**

In the export game, relationships are everything: finding and working with great local partners will set your exporting business up for success.
- 5 Test, test, and test again**

Too many businesses make the mistake of launching their product or service too early, without testing whether it works and how it is received in the local market. Just because a product is well received in one market, this may not be the case in another market, while manufacturing capabilities and standards in different countries can vary significantly.



“ We saw that the US market was resonating strongly with our product. It was the cheekiness, the freshness, the realness and the simplicity of the product, as well as being a natural and cruelty free brand, meant the US girls love that. ”

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**Kim Peirce**  
Founder  
Babe Australia

# BUILDING AN EXPORT STRATEGY

An export strategy is an essential component of your overall business plan. It doesn't need to be complicated, but at a minimum it should cover the following:

## Target market

What is the country or countries that you will target, including the size of the market, the cities or regions you will be targeting, the demographics of your target market?

## Financial resources

What capital do you require for growth overseas, what costs and expenses do you estimate you will encounter, how will you source the finance you need?

## Staff

What is the size of your current team and what headcount growth do you project you will require, how will you meet this growth, what export experience do your staff have?

## Product

Does your product need to be adapted for each new market, how will you brand and market your product?

## Domestic business overview

What is the current status of your domestic business?

## Regulatory requirements

What are the government standards that you will need to adhere to, the licenses you will need to apply for, the warranties and after-sales service that you will need to provide?

## Market positioning

What market segment in each country will your product or service be positioned for, where are they located, how much will they pay?

## Competitors

Who are your competitors in each country, what are their strengths, weaknesses, distribution strategy, price point and customer service strategy?

## Distribution strategy

How will you distribute your product or service, what are the delivery costs, how will you service your customers?



# IDENTIFYING THE RIGHT EXPORT MARKETS

One of the most common mistakes exporters make is picking the wrong market – this may be due to misguided assumptions about demand for your product in that market, or just because you happen to have a good contact in that market who can help you get off your feet.

Take the following steps to avoid making that mistake:

## Do your research

Do as much research as you can on whether a market is suited to your product or service before making any commitments. Visit the country, meet with potential partners and distributors, understand the local customs and regulations, calculate the costs of modifying your product – this will help you determine whether you are likely to be successful in that market.



## Understand the economic and political environment

In addition to the business environment, it's important to understand the economic and political context of doing business in different markets. Currency risks, political risks, tough regulations on businesses – these can all influence the attractiveness of an export market. Export Finance Australia's [\*Country Profiles\*](#) outline some of the risks of doing business in different countries.



## Appreciate that every market is different

However well you know one market, another market may be entirely different. Every country is different, and you need to understand the profiles, consumer trends and price points in those markets to develop a product specifically for that market.



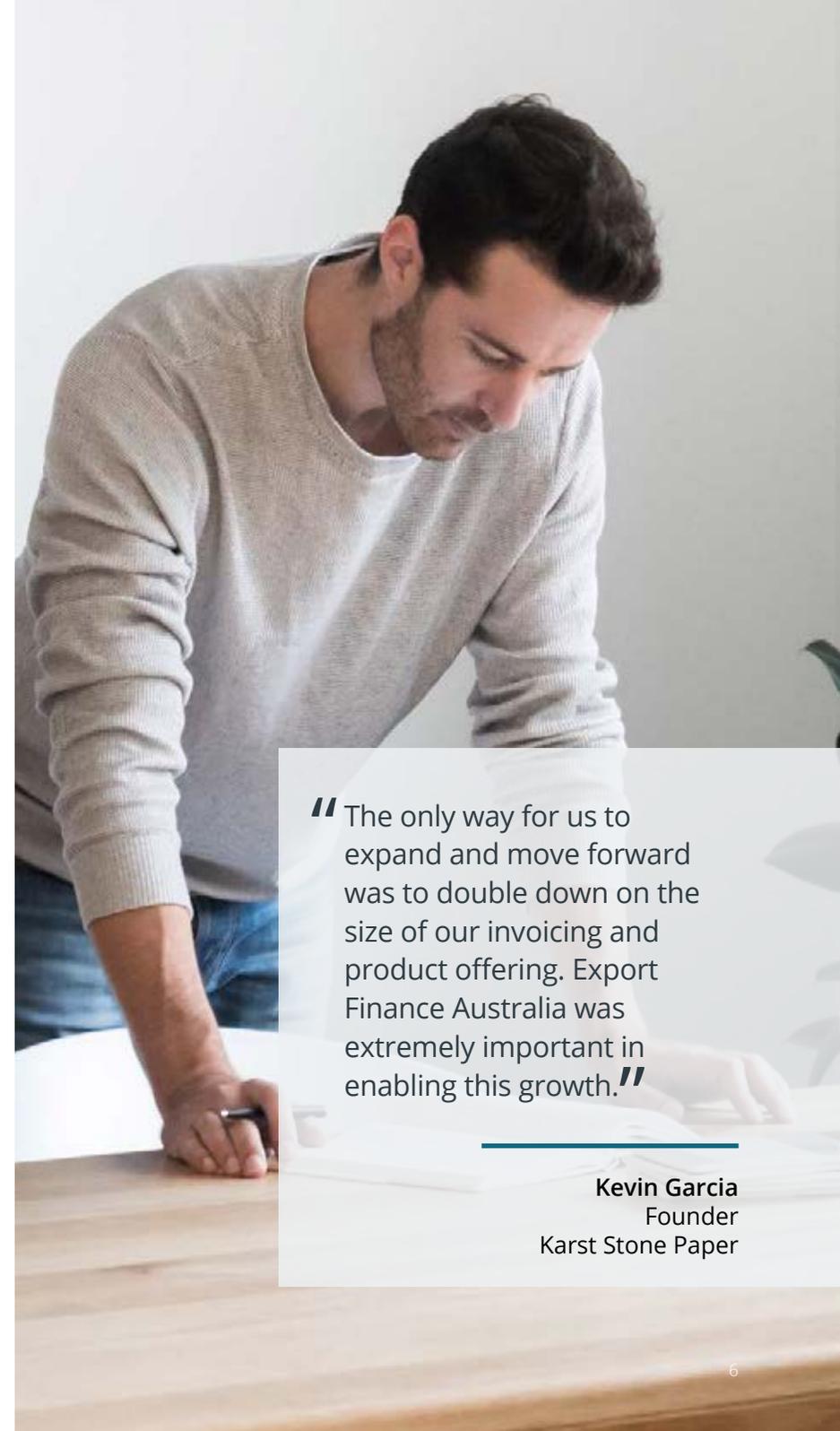
## Think about the customer

For some businesses, the market is a secondary consideration to identifying the customer that can pay the best price for your product. Making sure the customer is right may need to come before choosing the market.



## Consider the competition

Assess the size of the market and the competition you are likely to face in the market – the competitive environment may be a prohibitive factor at worst, and at best will influence how you market and position your product.



“The only way for us to expand and move forward was to double down on the size of our invoicing and product offering. Export Finance Australia was extremely important in enabling this growth.”

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**Kevin Garcia**  
Founder  
Karst Stone Paper

# ENTERING A NEW MARKET

Exporting to new and different markets can require a complete shift in culture and way of operating.

Here are four things to think about:



## Regulations and compliance

Domestic and foreign markets are likely to have their own regulatory and compliance requirements, which come with practical and financial considerations, including consumer protection rules, product standards and product liability insurance. Don't get caught out by overlooking local regulations.



## Logistics

Many exporters overlook the time and resource that needs to be dedicated to shipping and freighting when they first start out exporting. The logistics component of an exporting business is huge – how are you going to get your product to your market, how long will it take, how much will it cost, how will you manage the process?



## Marketing and labelling requirements

Some markets will have specific requirements around how you package, label and market your product which you will need to adhere to.



## Cultural factors

It's important to consider whether there are any language, religious, cultural or climatic market factors you need to be aware of and adapt to. For example in China, red is considered a very prestigious colour and generally, red packaging symbolises good luck.

Austrade can guide you through the process of selecting suitable export markets for your product or service, for more information visit their [website](#).



# BUILDING EXPORT NETWORKS

Networks can encompass everything from friends, peers and other companies operating in similar markets, to professionals such as lawyers and accountants, to mentors and advisers, to government contacts, and critically, market partners. Establishing broad and deep networks is a critical success factor in exporting and operating in a global supply chain.

There are some simple things you can do to build your networks:



## Industry associations

Every industry has at least one association which represents the interests of its members. Associations range in size and role but many will provide basic resources for members, publish a regular magazine with industry news and updates, organise events and provide a forum for sharing advice and knowledge.



## Industry events and conferences

Industry events are a great way to meet peers and learn about their experiences as well as connect with potential customers. Organisations which provide support for exporters, such as *Austrade* and *Export Council of Australia*, also host regular events providing information and advice for Australian export businesses.



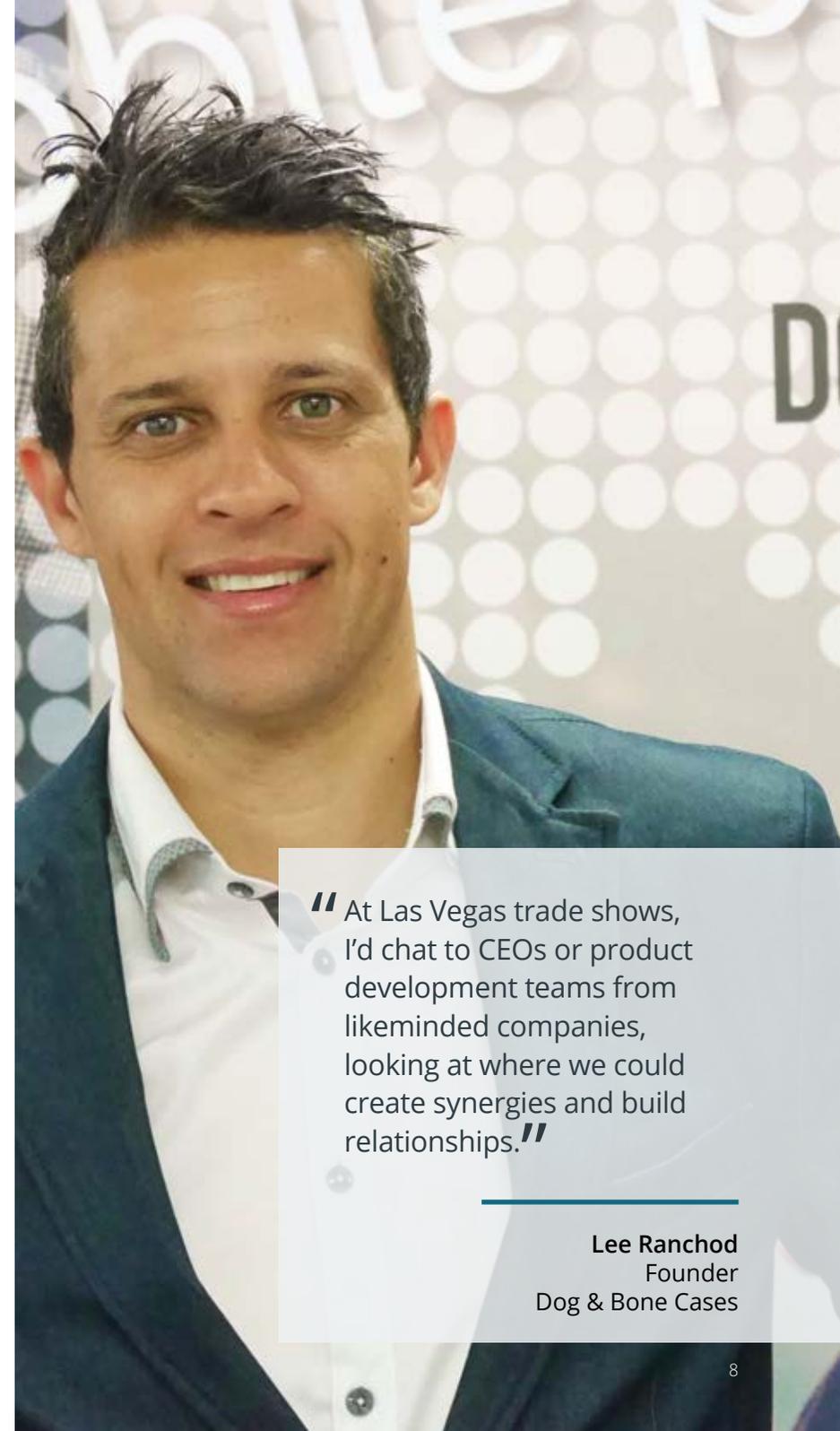
## Trade shows

Trade shows or expos both in Australia and in overseas markets are a great way to meet potential partners and customers by showcasing your goods and services.



## Face-to-face meetings

Travelling overseas and meeting local potential partners is vital. If you don't know where to start, *Austrade* has on-the-ground representatives in a wide range of markets who can help you with introductions by setting up appointments with buyers which have a good fit for you.



“ At Las Vegas trade shows, I'd chat to CEOs or product development teams from likeminded companies, looking at where we could create synergies and build relationships.”

Lee Ranchod  
Founder  
Dog & Bone Cases

# MANAGING EXPORT RISKS

Your business is likely to come up against different risks when operating in international markets compared to your domestic market.

Depending on the country, some of the key risks you may encounter include:

## Political risks

An uncertain political environment can hamper export operations in a number of ways. A trade embargo could affect delivery of goods, civil war or political violence could affect the safety of your staff and partners, political instability could result in defaults on payments, confiscation of property and assets, and blockages in transfer of earnings.

## Legal risks

Legal requirements and processes can vary significantly across different markets, so research and receive legal advice to understand your legal position. Some common considerations include: local contract law, patent registration & IP requirements, product liability laws, dispute resolution processes and OH&S laws.

## Operating risks

Exporters need to become familiar with the operating environment of new markets, as this can be very different to the Australian operating environment. Some important things to look out for are industrial relations policies & practices, permitting rules and import requirements.

## Environmental risks

Natural disasters can occur anywhere in the world and can cause significant or even devastating damage to a business. While no one can predict natural disasters, it is important to be aware of the potential risks of your business location and how you might prepare for possible events.

## Contract risks

Differences in contract law between countries means seeking legal advice on contract terms is important to ensure they are binding and enforceable – it's also important to understand the local business culture to ensure you have an appreciation of the expectations of doing business with local partners.

## Currency risks

Adverse movements in exchange rates are an inherent risk of doing business overseas and can lead to a loss of earnings or profit. You can protect yourself by quoting only in Australian dollars or taking out a foreign exchange facility which will allow you to lock in exchange rates and hedge your currency exposure.

[Austrade](#) and the [Export Council of Australia](#) provide more detailed information on some of the major risks exporters may encounter in overseas markets.

# STEPS TO MANAGE EXPORT RISKS

There are no shortcuts to avoiding risks in export markets. As with any other business risk, you will need to follow a robust process of risk management to ensure your business is in the strongest possible position to cope with risks.

## 1 Do your homework

The first thing you need to do is identify the potential sources of risk in your chosen export market. [Export Finance Australia's Country Profiles](#) are a good place to start. [The World Bank](#) publishes a range of data on individual country risks and the [Department of Foreign Affairs and Trade \(DFAT\)](#) continually monitors the effects of political changes on Australian businesses.

## 2 Develop a risk management strategy

While it's impossible to predict all risks, you can make a reasonable assessment of the likelihood and impact of most scenarios that could affect your business. You then need to identify steps you can take to avoid or mitigate the most critical risks, or minimise their impact. Ensure your risk management strategy is as clear and simple as possible, and that everyone in the business is aware of what they need to do.

## 3 Seek advice

Your bank, lawyers, insurers and accountants will be able to give you advice about the risks you may encounter in overseas markets. It's also a good idea to try and find on-the-ground advisors in your target country, or a business who has dealt there before, so you can learn from their experiences. Your industry association or business chamber can also be a good place to start.

## 4 Monitor and review

Risks may change over time and you need to ensure you are aware of this and have updated your risk management strategies if necessary. It's important to regularly monitor the risks that have a potential to affect your business in different export markets.

Visit the [Austrade](#) and [Export Council of Australia](#) websites for more detailed information on how to manage risks in export markets.



# PROTECTING YOUR INTELLECTUAL PROPERTY (IP)

Some businesses can be reluctant to expose themselves to the global market, fearing that their brands, products and designs will be quickly copied, and thus undermining their ability to compete. Conversely, others may be so keen to grasp the global opportunity, that they unwittingly expose themselves to significant IP risk.

IP protection is often about striking a balance between achieving maximum protection and managing IP costs. The solutions you choose to protect your IP in foreign markets will need to reflect your broader commercial business strategy, at home and abroad.

Steps to consider when protecting your IP:

## Consider your export strategy

Your IP strategy will be driven by your export strategy. It's important to be clear as early as possible what you want that to be. Ask yourself which markets offer the best potential for your business.

## Do your research

While protecting your own IP is your first priority, you'll also need to ensure that by exporting to a new country, you aren't breaching someone else's IP. Your product or brand may be unique in your own market, but you'll need to ensure you're protected from costly legal challenges from potential competitors.

## Choose your solutions

What is the most valuable component of your IP? Is it the design of your product? Your brand name? The software you've developed? Or a combination? Most businesses will need to decide which element (or elements of their product) to cover with IP protection. And the answer is not always straight forward.

## Understand the costs

Protecting your IP across multiple markets can be an expensive exercise, especially if you're protecting more than one element of your product. While protecting everything upfront may be the best defence, it may prove to be financially out of reach.

## Enlist expert advice

Professionals who specialise in international IP protection can offer solutions that you haven't yet considered, and can also give you access to the benefit of their experience. It's recommended that you consult professionals to help ensure that your strategy offers the protection your business needs.

For more information on how you can protect your IP, download the IP Australia and Export Finance Australia [\*Protecting your intellectual property \(IP\) overseas eBook\*](#).

# EXPORT-RELATED FINANCE

There are a number of differences between exporting and operating in Australia which will have an impact on your finances. Understanding all the costs associated with exporting will help you make an informed decision on whether your business is ready to start an export project.

There are some crucial considerations to keep in mind:

## 1 Keep your financial health in check

As your business grows, you need to make sure you work with an accountant that understands the fundamentals of your business and where you are looking to go. Your accountant will help you stay on the right track with your financials as you expand into new markets or enter into an export supply chain.

## 2 Develop a financial plan

When you enter into exporting or start winning export-related contracts, you need to be prepared for all finance eventualities. For example, export can mean a longer cash flow cycle, a greater risk of non-payment and exposure to foreign exchange risk. Putting together a detailed financial plan, one that you can easily adjust as you collect more data and change your assumptions, can help you determine if your export plan is viable.

## 3 Understand your cashflow requirements

One of the most common problems encountered by growing businesses is when their growth rate outstrips their capacity, which can create pressure on working capital. By developing detailed cashflow projections into the future, you can ensure you are able to plan and manage your cashflow accordingly to avoid problems.

## 4 Build a strong relationship with your bank

Your bank is crucial in your growth journey. Successful businesses will keep their bank informed on a regular basis, by keeping them updated on what their business plans are, what direction they are heading in and any financial issues they anticipate. If you involve your bank closely in your business, it will be much easier to get help when required or need more capital.



**“ Without Export Finance Australia’s support, it would be very difficult to grow and deliver on export contracts at the rate that you can as a business. You do the deal, you get these big contracts, but if you can’t cashflow it, you’re in big trouble.”**

**Justin Reisinger**  
Global Business  
Development Manager  
Pixie Ice Cream

# MANAGING YOUR FINANCES

One of the most common problems for businesses is funding growth. When exporting is part of the equation, financing becomes even more important and many businesses need support to enable them to fulfil their export-related contracts.

Help is available from a number of sources:

## Consider your options

When a contract comes in, think carefully about how you could fund it without entering into risky debt or putting a strain on cashflow – even your own client or suppliers might be able to help you.

## Speak to your bank

Speak to your bank to assess your situation and advise you on your best course of action. Your bank may be able to offer you a secure loan or commercial bill facility to help you with financing your exports.

## Think about alternative sources of funding

If your bank is unable to help, Export Finance Australia may be able to. Export Finance Australia could provide financial support to exporters, or businesses involved in an export supply chain.

## Finance options



### Export loans

Tailored for businesses that need additional working capital to support international opportunities, investment in production capacity or overseas expansion.



### Guarantees

Working with your bank or your buyer's bank, we can provide guarantees so your business can get access to additional finance to fulfil export-related transactions or build an overseas presence.



### Bonds

We provide a variety of bonds including performance, warranty or advance payment bonds that may be required for an export-related contract.



### Corporate or sovereign finance

A range of tailored financial solutions that support Australian corporates with their export activities, and finance for corporate and sovereign buyers of Australian goods and services, including project finance.

For more information on how you can manage your export cashflow, download Export Finance Australia's free [Five ways to manage your export cashflow](#) specialist paper.



## AUSTRALIAN INNOVATION GOING GLOBAL

### Case study: HeliMods

Support from Export Finance Australia helped Queensland helicopter modification company *HeliMods*, break into the US and European markets.

HeliMods equips helicopters with everything they need to perform specialist missions, such as policing and aerial surveillance, emergency medical services, search and rescue, and military and paramilitary operations.

"Health and emergency services has been a focused area of growth in our business," said Will Shrapnel, Founder, HeliMods. "Australia has made significant investments in retrieval services in the last five to 10 years. So, a lot of our growth has responded to support that demand."

With thanks to the Entrepreneurs Programme and co-funding received through the Accelerating Commercialisation Grant, HeliMods was able to deliver to market a world first in the Powered Aero Loader™. The Powered Aero Loader™, or PAL™, allows the push button loading of stretchers into helicopters. This means that sick and injured patients can be collected and delivered to hospital faster and safer than before.

During a recent international trade show, HeliMods and PAL™ drew the attention of Ornge, one of the largest North American air ambulance fleets, which was looking to upgrade their fleet to incorporate power loading technology.

HeliMods competed successfully for the Ornge tender, emerging as the preferred supplier from a field of organisations from the US and Europe. To secure the contract, the company needed to meet Ornge's challenging commercial terms.

Our \$1.05 million loan meant HeliMods could provide Ornge a set of commercial terms that would allow the finalisation of the deal.

"The support that Export Finance Australia provides helps bridge the gap where innovative, high-growth SMEs delivering superior products can compete against the incumbents or larger organisations that are already participating in the space."

"As an SME you might be dealing with quite a large client that's used to contract terms that are very back ended. That does get out of the realms of what our banks would typically cover comfortably or would cover without tying up significant additional equity. That's where Export Finance Australia's support is critical for SME growth into export markets."

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**Will Shrapnel**  
Founder  
HeliMods

# RESOURCES

There is a wealth of detailed, easy to access information available to help Australian export businesses, it's just a case of knowing where to look.



export  
finance  
australia

## Export Finance Australia

We are the Australian government's export credit agency, providing finance solutions to Australian businesses to help them achieve international success.

We also provide a number of resources for exporters, including our online *Exporter Journey* which walks companies through the steps to successful exporting.

Visit [exportfinance.gov.au](http://exportfinance.gov.au) or call 1800 093 724.



## Export Council of Australia (ECA)

Export Council of Australia is the main industry body for Australian exporters and provides resources, support and information to help Australian business succeed overseas.

Visit [export.org.au](http://export.org.au)



Australian Government  
Austrade

## Austrade

The Australian Government's trade and investment agency can provide you with practical advice, support and insight into many of the countries to which you're looking to export.

Austrade provides information and advice to assist Australian companies to reduce the time, cost and risk associated with exporting as well as a range of 'How to Export' guides that can help you increase your export knowledge and skills.

Visit [austrade.gov.au](http://austrade.gov.au)



Australian Government  
Business.gov.au

## Business.gov.au

The business.gov.au website is an online portal created to assist all businesses from start up, registration and licences to grants and assistance, and advice and support.

Visit [business.gov.au](http://business.gov.au)

## Advisers

Your accountant, financial adviser and lawyer are a great place to start when seeking advice on expanding your business overseas.

## Peers

Other successful exporters and like-minded businesses are sometimes the best source of tips, advice and inspiration.



## Discover how Export Finance Australia could help your business take on the world

As Australia's export credit agency, we offer options by working with your bank to provide supplementary finance, or support when your bank may be unable to help.

To find out more about how we could help your business, go to [exportfinance.gov.au](http://exportfinance.gov.au) or call 1800 093 724.

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Australian Government

