



# PREPARING YOUR PRODUCT FOR EXPORT

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An Exporting 101 Guide

# IS YOUR PRODUCT EXPORT READY?

The extent to which your company is willing to modify products sold into export markets is a key policy issue to be addressed.

Selecting and preparing your product for export requires knowledge of the unique characteristics of each target market. 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. Here are some things to consider and resources to help.

## Product Adaptation

To enter a foreign market successfully, your company may have to modify its product for:

- ✔ foreign government regulations
- ✔ geographic and climatic conditions
- ✔ buyer preferences, such as religious practices or the use of leisure time
- ✔ local standards of living
- ✔ facilitating shipment
- ✔ possible differences in engineering or design standards

## Potential vs. Cost

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 one with long-term goals.



**TIP:** The U.S. Department of Commerce [Top Markets report](#) ranks export markets and provides commentary on the opportunities and challenges facing exporters in key markets.

# 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 international customers.

***Instruction or maintenance manuals should provide:***

- ✔ dimensions in centimeters
- ✔ weights in grams or kilos
- ✔ temperatures in degrees Celsius

***Did You Know?***

Information on foreign standards and certification systems can be found on the National Institute of Standards and Technology's website, [nist.gov](http://nist.gov).



# BRANDING, LABELS, 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:

## *Did You Know?*

[The Small Business Administration offers loans for export development related activities.](#)



## 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 documentation or instructions be produced in official or customary languages if required by law or practice?



## Units

Are weights and measures stated in the local unit?



## Foreign Taste

Are local tastes and knowledge considered?



## Country of Origin

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



## Labels

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

# PRODUCT SHIPPING

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 consider utilizing the services of a reputable freight forwarder to handle the many documentary requirements that exporting requires.

## *What is a freight forwarder?*

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:



## 01

### Preparation & Requirements

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

## 02

### 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.

## 03

### Packaging Methods

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



## 04

### Transactions

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

## 05

### Recommendations

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

#### *Did You Know?*

If you visit the National Customs Brokers and Freight Forwarders Association of America at [ncbfaa.org](http://ncbfaa.org), it will recommend members in your area that can provide assistance.

# CUSTOMER SUPPORT

While it's important to prepare your product for sale, don't forget to think about issues that may occur after purchase.



**TIP:** [Service providers are exporters too!](#)

## Installation

Consider the ease of installing the product overseas. If technicians or engineers are needed overseas to assist in installation, your company should minimize its time in the field as much as possible. To do so, you may wish to:

- ✓ pre-assemble or pre-test the product before shipping
- ✓ disassemble for shipment, then reassemble abroad
- ✓ provide training for local service providers through the web, training seminars, or DVDs
- ✓ provide all product information (i.e., training manuals, all installation 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—international customers typically have service expectations as high as or greater than those of U.S. customers.



# WHAT'S NEXT?

EXIM is here to support you on your exporting journey. We offer a wide range of financing tools for your company's unique needs, as well as free consultations, educational material, exporter resources, and more. You can:



## Talk to an Expert

EXIM specialists are ready and waiting in your area to give you a free consultation:

[grow.exim.gov/consultationrequest](https://grow.exim.gov/consultationrequest)



## Learn Exporting Basics

This free eBook, The Basic Guide to Exporting, will teach you everything you need to get started:

[grow.exim.gov/export-guide](https://grow.exim.gov/export-guide)



## Protect Your Business from Risk

Avoid the danger of buyer nonpayment with Export Credit Insurance:

[grow.exim.gov/eci-guide](https://grow.exim.gov/eci-guide)



## Unlock Your Business's Cash Flow

Learn how EXIM works with your lender so you can compete internationally:

[grow.exim.gov/wclg-guide](https://grow.exim.gov/wclg-guide)



This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.