



Exporting Capacity of your Company

2020



Introduction

How to know if your company is qualified to export your product or service? In this ebook you will find some tips that can help you with this question. The export process creates the possibility of confronting other realities in the international market, which is great for the company's health. Gaining market knowledge, bringing new competitiveness and new competitors, generates good experiences, in addition to being good for the country and especially for your company.



Internal Company Analysis



Internal Company Analysis

Production Capacity

Does the company have idle installed capacity that can be used to meet the demand generated by exports? Is it able to make investments to expand its production capacity? Is there a possibility to increase productivity with current installations?

It is important to preserve the achievements made in the domestic market and meet the new demands generated by exports in a sustainable and professional manner. In addition to legal issues, breaches of commitments and delays compromise the company's image and credibility.

Do you depend on suppliers?

The international market is demanding regarding quality standards and deadlines. If the product to be exported needs suppliers during its production process, it will be necessary to assess whether they are prepared to meet the standards established in your export project. A weaker or defective link could compromise the entire chain. Your suppliers may also need to be helped and prepared to handle your export project. This is an aspect that deserves to be highlighted, as it consists of a moment in which the benefits resulting from exports begin to radiate through the productive sector, benefiting other companies as well.

Internal Company Analysis

Is your competition in the domestic market able to export?

Companies, like people, can learn from each other, so, respecting industrial and commercial secrets and other factors that are private and important for the survival of each company, there is always a margin of cooperation and knowledge that can be shared, benefiting the industry as a whole. Sometimes companies can help each other, take advantage of their complementarities and, sometimes, add their efforts, resulting in additional gains for all. It is important to observe and, if possible, talk to your competition in the domestic market and find out if it can export, where and how. If other companies in your sector are able to export, why wouldn't your company be able to do so?

Competitive Advantage

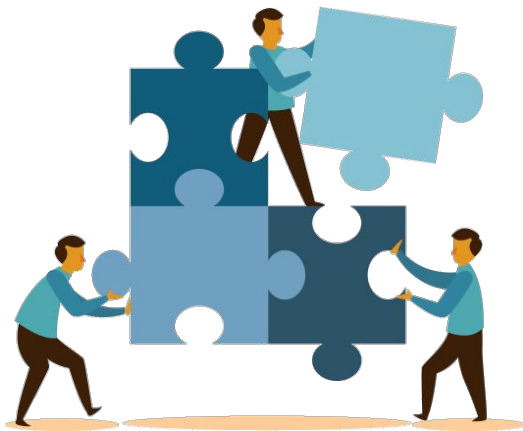
Some countries have comparative advantages for some sectors or products in relation to other countries. In other words, some nations have conditions that make them more competitive in the production of some goods and services, compared to others. If the company belongs to some of these sectors, it can start its journey towards the foreign market with some initial advantage.

Internal Company Analysis

Culture

The culture of a company is present in the routine of employees, organizational, productive and strategic processes. Therefore, an exporting culture must be present in the company.

This mentality is essential for a medium and long-term export process. The culture makes the resilience present in the challenges and the implementation of changes more accessible over time.



Professional Trainer

Once the export culture is established, the company begins the analysis and planning phase. For this phase you need a trained professional. If the firm does not have a sector or a specific professional for such a task, it should seek outside help.

In Brazil, as in the world, each merchandise has documentation and specifications to be able to be exported or imported. In addition, each country has regulations encouraging certain markets. Therefore, a professional in the field of foreign trade is essential for the company's export capacity.

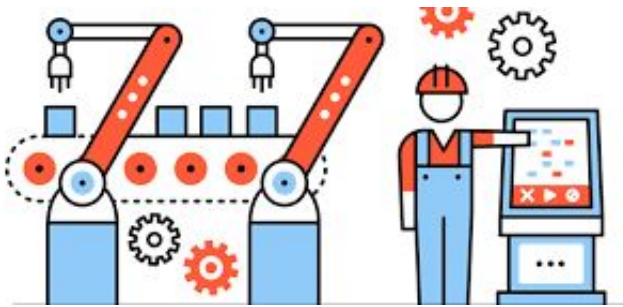
There are several portals and public agencies for guidance!

Production & Distribution

Product/Service

As mentioned earlier, each country has specifications for importing products and services. Therefore, it is important to make sure that your product meets the requirements of the country to which you intend to export.

It is important to emphasize the financial planning in this product adaptation process. Changes can be simple, like packaging or labeling, or they can be complex like the production chain. In both cases, the changes will demand greater cash turnover.



Distribution Channels

With the product ready and within the requirements demanded by the importing country, the company needs to be concerned with the distribution channels. In addition to the most suitable modal for your product, the modal in the importing country must also be taken into account.

Another important element for distribution is the supplier. This relationship must be extensively cultivated and evaluated before starting to export. Compliance with deadlines and consistency in product suitability is essential. Changing suppliers can be an exhausting and costly process, so you should evaluate carefully before closing a deal with any supplier.

Commercialization:

Is the company able to carry out direct sales or will it need intermediaries?

There are several ways to market a product. We can divide them into two large groups and break them down into more specific modalities. One of the groups is **direct marketing**, which occurs when the exporter conducts the entire process, that is, without intermediary interference.

- **Direct Contact:** Occurs when the exporter speaks directly with the importer. Once the foreign buyer is identified, the seller negotiates prices, shipping methods, terms, among other things. In this case, the exporting company needs to have a certain degree of knowledge in exports, in order to conduct the negotiation in the best possible way.
- **Export agent:** This modality occurs when the commercial contact is made by an export agent, a professional in the area that conducts the negotiation. This form of negotiation is very advantageous for companies that are not knowledgeable in exports.
- **Overseas sales branch:** In this model, the company has a sales branch in the importing country.

The other group is **indirect trading**, which occurs when the selling company hires another company to find a buyer and carry out negotiations.

- **Specific Purpose Society (SPE):** It is a society formed by micro and small businesses, for the purchase and sale of goods and services in both the national and international markets.
- **Exporting commercials:** In this modality, the producer sells his product to export commercial companies, which in turn resell the product to the international market. It is very beneficial for small and micro companies that gain experience and international contacts.
- **Foreign market representatives:** There are several representatives of international companies that buy national products to ship to their country of origin.

Patent and Trademark

Have the aspects related to trademarks and patents been considered?

For both the domestic and foreign markets, your product must have patent and trademark registration. Aiming at export, it is extremely important to verify the patent and trademark of the importing country, so that there is no infringement of the registrations.

- **Patent:** This is a formal document, issued by a public agency, which recognizes and grants exclusive ownership, use, sale and import rights. (Either individual or legal entity can obtain a patent).
- **Brand:** It is a symbolic representation, whatever it may be, of an entity. Symbol that allows immediate identification of the referred entity.

In addition to the brand and patent, there is a geographical indication. Document with the same purpose as those mentioned above, but with the distinction that it is determined by region of origin.

The three documents can be issued by public bodies. See more information on the websites below:

<http://www.inpi.gov.br/menu-servicos/indicacao-geografica>

<http://www.inpi.gov.br/menu-servicos/patente>

<http://www.inpi.gov.br/menu-servicos/marcas>