



Ready to sell worldwide? A step-by-step guide to exporting

Description

Unlock global markets and grow your business. This guide shows you how to navigate the complexities of exporting, from finding customers to getting paid.

Learn how to start an export business with this step-by-step guide. We cover market selection, Incoterms®, distribution, and risk management for founders selling globally.

Introduction: Your next big market is overseas

For many small business owners, growth means looking at the next city or state. But what if your next big market is on the other side of the world? Exporting, selling your products to customers in other countries, is one of the most powerful strategies for growth.

The opportunity is massive:

- According to the International Trade Administration, **95% of the world's consumers live outside the United States**, representing a huge untapped market.
- Small and medium-sized businesses that export see their **revenue grow faster** and are **20% less likely to go out of business** than their non-exporting counterparts. (Source: U.S. Chamber of Commerce)

This guide will provide you with a clear, repeatable process to take your business from local to global.

1. The pre-investment checklist

Before you can export, you need a solid foundation.

- **Capital Requirements:** Do you have the capital for international marketing, packaging, and potential travel? This must include considering the [importance of sustainable packaging](#) to meet growing international consumer and regulatory demands.

- **Feasibility Analysis:** Have you researched and confirmed that a real, profitable market exists for your product in a target country?
- **Cash Flow Buffer:** Have you set aside enough cash to cover the longer payment cycles and potential delays common in international trade?



2. Your go-to-market strategy: Agents & distribution

How will you actually sell your product in a new country?

- **Finding Agents:** An **export agent** or **local distributor** in your target country is invaluable. They understand the local market, have existing relationships, and can navigate cultural and language barriers.
- **Choosing a Distribution Strategy:**
 - **Direct Exporting:** You sell directly to the end customer (e.g., via your e-commerce website).
 - **Indirect Exporting:** You sell to an intermediary, like a distributor or wholesaler, in the target country.
 - **Partnerships:** You partner with a local business to sell your product.

3. Pricing for export: Margins & FX risk

Exporting involves extra costs that must be built into your price. A simple way to do this is with **Activity-Based Costing (ABC)**. Your final price must account for:

- **Purchasing & Factory Price:** The “Ex-Factory Price” of your goods and the cost of sourcing high-quality raw materials.
- **Logistics & Shipping**
- **Customs & Duties**
- **Agent Fees**
- **Foreign Exchange (FX) Risk:** You must build a buffer into your margin to protect yourself from unfavorable currency exchange rate fluctuations.

4. The language of shipping: Incoterms® for exporters

Incoterms® are universal rules that define who is responsible for the shipment at each stage.

Common Incoterm®	What It Means for You (The Exporter)
EXW (Ex Works)	Your only responsibility is making the goods available at your factory. The buyer handles all shipping and risks.
FOB (Free On Board)	You are responsible for getting the goods to the port and loading them onto the ship. Your responsibility ends there.
DDP (Delivered Duty Paid)	You are responsible for everything, including shipping and customs, until the goods arrive at the buyer’s door.

5. The export process & A smart value-add strategy

The export process follows a clear sequence.

1. **Receive the Order**
2. **Prepare for Shipping** (Packaging & Documentation)
3. **Logistics & Transport**
4. **Customs Clearing**
5. **Receive Payment**



A smart strategy: Assembly & aggregation

A powerful value-add strategy is to ship components and have them undergo final assembly or packaging in the destination country. This can reduce import tariffs for your buyer. Similarly, aggregating orders from multiple buyers into a single shipment can dramatically reduce per-unit logistics costs.

6. Handling risks: Returns, defects, and financing

- **Returns & Defect Policy:** International returns are expensive. You must have a clear, written agreement with your buyer on how to handle defective goods, often by issuing a credit instead of accepting a physical return.
- **Shipment Hassles:** Be prepared for common issues like **port congestion, missing customs documents, or unexpected delays**. Build buffer time into your delivery estimates.
- **Consignment:** This is a high-risk model for exporters where you ship goods to a distributor and only get paid after they sell them. It should be reserved for trusted, long-term partners.
- **Getting Paid (Managing Risk):** To manage payment risks, you can use:
 - **Upfront Payment:** The safest option.
 - **A Letter of Credit:** A guarantee from the buyer's bank that you will be paid.
 - **Export Loans:** Special loans to finance your production while you wait for payment.

“In an increasingly complex world, success runs on the trust that is created whenever we honor our commitments.” Stephen M.R. Covey

Final thoughts

Exporting can be a game-changer for a small business, unlocking new revenue streams and diversifying your customer base. The key is to start small, do your due diligence on your partners, and build a clear, repeatable process to manage the complexities of global trade. Embrace the challenge of global markets as an opportunity for unparalleled growth and innovation. With careful planning and the right partners, the world truly becomes your marketplace.

Ready to take your product to the global stage? Download our comprehensive [Business Plan Template](#) to structure your strategy and conquer international markets.

Frequently Asked Questions (FAQs)

- **Do I need an export license?**
It depends on your country and the product you are selling. You must check with your government's trade or commerce department.
- **What is a freight forwarder?**
A freight forwarder is an essential partner that organizes the shipping of your goods from your location to the final destination.
- **What is a commercial invoice?**
It is a key export document that contains information about the goods and their value, used by customs authorities.
- **What's the biggest mistake new exporters make?**
Failing to accurately calculate their full costs, especially shipping, insurance, and duties, can lead to selling at a loss.
- **What is FX Risk?**
FX (Foreign Exchange) Risk is the risk that you will lose money due to a change in the currency exchange rate between when you make a sale and when you get paid.

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