



BEST PRACTICES IN PRESENTING PRODUCTS TO COMMERCIAL REPRESENTATIVES IN FOREIGN MARKETS

DECEMBER 2010

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1.1 PURPOSE OF THIS MANUAL

The purpose of this manual is to provide step-by-step guidelines for Caribbean artisans to understand some of the major points to be considered when attempting to export goods to overseas markets. Although it can be used as a guideline for entering almost any international market the markets considered in this document are primarily the US market and the UK market.

1.2 HOW TO USE THIS MANUAL

The manual is meant to be used as a guide to Caribbean artisans wanting to assess their export readiness to trade handicraft products to international markets. It should therefore be used as a supporting document to ensure that certain points are considered before entering into major agreements or contracts, but by no means is it meant to be a final template for becoming export ready. There are several other additional points that must be considered and it is important to contact your local Trade/Export Association to clarify any open questions that may still exist.

1.3 OVERVIEW

It is evident that Caribbean artisans have outstanding products which are able to compete effectively on the global market. However, sometimes due to their lack of preparedness or difficulty in accessing information they are often placed at a disadvantage when dealing with international clients. Therefore often times they may find themselves unable to attract the deals and contracts that their global handicraft counterparts are able to secure. Handicraft artisans can still be very successful in penetrating foreign markets should the relevant information and assistance be readily available to them.

This manual therefore attempts to provide a framework of guidelines for the processes and considerations Caribbean artisans should undertake when planning to approach international clients. It covers the main areas that should be understood when presenting products to clients overseas and provides an insight into what the international clients will expect when searching for products to sell to their consumers. Used wisely it can circumvent many of the problems artisans are likely to experience and will assist them to gain a more strategic position when negotiating with potential buyers.

SELECTING COMMERCIAL AGENTS/REPRESENTATIVES

Definition of Commercial Agent

Commercial agents are intermediaries that sell goods or services on your behalf in return for commission.

Businesses usually appoint agents because they need their specialised assistance in reaching markets in a particular sector or geographical location.

Agents can be particularly useful for new businesses that have yet to build up a substantial number of contacts or cannot afford to employ a dedicated salesperson.

Many businesses use agents to access domestic markets - but they can be particularly useful in overseas markets to provide information on different customs, ways of doing business and assist in understanding transactions in different languages.

The following tips will help artisans decide whether a commercial agent can help your business and explain how to find and choose a commercial agent and ensure the relationship works.

Advantages and Disadvantages

There can be advantages and disadvantages of using commercial agents.

Advantages	Disadvantages
Lower overheads - you do not have to pay for the salary, the car or the office of sales agents.	It can be difficult to control the agent's activities and to make sure they continually work hard on your behalf.
Agents are easier to recruit than experienced sales executives with specialist knowledge.	An agent might not sell your product or service in the way that you would like.
Using a network of agents can be a cost-effective way of reaching a wide variety of markets.	They might sell to unsuitable customers who might undermine the integrity of your product.
Some markets are difficult to break into without existing contacts, local knowledge and experience.	An agent might not fully understand your product or service and you may be better off with hands-on control.
	They can be entitled to compensation on termination of the contract even if they breached the agreement.

Note: Agents are useful if no one in your business has **sales expertise**, particularly in new businesses being developed by entrepreneurs whose main skills are in creating products or services.

In addition, agents can also be used to **experiment** with selling in new markets and seeing whether they have any long-term potential.

STEP 1 - FINDING A COMMERCIAL AGENT

There are a number of ways of finding the right commercial agent for your business.

- Through your local **Chamber of Commerce** – Their library is likely to keep a database of agents. Your local Business Link may also be able to recommend suitable agents for your business.
- Contacting one of the major UK or US **Commercial Libraries** – Contacting the Commercial Library in Manchester and Business Insight, part of the Birmingham Central Library can be a good start.
- Through your local **Trade Association** - If you belong to a trade association it is likely to have listings of agents with **specific knowledge** of your industry or market.
- Attending handicraft **exhibitions** - You may be able to have face-to-face meetings with potential agents who are always looking for companies to represent.
- Joining **trade visits** - If you are looking to sell to **overseas markets**, joining trade visits is a good way of making contact with agents.

STEP 2 - WHAT TO LOOK FOR IN AN AGENT

When you're recruiting an agent, it's a good idea to regard it as a decision equal in importance to hiring your own number two. Only sales can bring money into your business - and if an agent fails to meet your targets you could encounter cash flow problems or worse.

You have to clearly **define** your own needs, what you need the agent to achieve, and how you want them to achieve it. They need to be aware of factors such as the average call cycle needed to make a sale, competitors and any unusual conditions in the territory.

When examining agents' details you will have to make a number of decisions:

- Do you want a well-established agent? Or could you benefit from using a relatively new one who might be keen to use you to raise their profile in the market?
- Is the agent capable of handling your scale of business?
- Can they cope with your growth plans?

When drawing up a short list and making the final selection it is important you choose someone **compatible** with your business.

You should **always interview** potential candidates - several times if necessary. If they are interested they won't mind and it's a way of making sure they are enthusiastic to work on your behalf.

If you're seeking to find an agent in an overseas market, you should visit the agent in their territory first.

Points to consider...

There are a number of factors you need to look for in a commercial agent:

- **Trading history** - is the agent established with a strong track record in the relevant sector?
- **Financial security** - carry out appropriate credit checks. If the agent goes out of business it could seriously damage your sales and reputation. You can check bank or trade references or use a credit checking agency.
- **Reputation in the marketplace** - is the agent well respected and seen as reliable, trustworthy and effective? Ask trusted business associates or your trade association their opinion of the company. Check references from existing customers. Be aware that the agent is likely to provide you with references from companies that will portray them in a favourable light.
- **Current portfolio** - does the agent have a good portfolio of existing clients and, importantly, are any of the clients competitors who might raise a conflict of interest? Ask for a list of clients or check if there's a list on the agent's website.
- **Knowledge of your sector** - how well does the agent know your marketplace and the trading conditions within it? Ask the agent about their experience. The current client list will also demonstrate whether they have worked with similar businesses.
- **Willingness to take on your business** - how keen is the agent to take on your business? How hard will they work on your behalf? Consider how promptly and thoroughly the agent responds to your queries and calls.

The risks are often greater when entering overseas markets with longer lead times, greater financial risk and less control over the sales process.

For more information on drawing up contracts with Agents and the Law on Commercial agents see Appendix A, Sections 2 and 3.

COSTING AND PRICING OF PRODUCTS (WHOLESALE AND RETAIL)

STEP 3 – HOW TO DETERMINE WHOLESALE/RETAIL PRICES

There are many outside influences that affect profitability and a retailer's bottom line. Setting the right price is a crucial step toward achieving that profit. Wholesalers/Retailers are in business to make a profit, but figuring out what and how to price products may not come easily.

Before we can determine which wholesale/retail pricing strategy to use in setting the right price, we must know the costs associated with the products. Two key elements in factoring product cost is the cost of goods and the amount of operating expense.

The **cost of goods** includes the amount paid for the product, plus any shipping or handling expenses. The **cost of operating the business**, or operating expense, includes overhead, payroll,

marketing and office supplies.

Regardless of the pricing strategy used, the wholesale/retail price of the products should more than cover the cost of obtaining the goods plus the expenses related to operating the business. A wholesaler/retailer simply cannot succeed in business if they continue to sell their products below cost.

STEP 4 - PRICING STRATEGIES

Retail Pricing Strategies

Now that we understand what our products actually cost, we should look at how our competition is pricing their products. Retailers will also need to examine their channels of distribution and research what the market is willing to pay.

Many pricing strategies exist and each is used based on particular a set of circumstances. Here are a few of the more popular pricing strategies to consider:

1. Mark-up Pricing

- a. **Markup on cost** can be calculated by adding a pre-set (often industry standard) profit margin, or percentage, to the cost of the merchandise.
- b. **Markup on retail** is determined by dividing the dollar markup by retail.

Be sure to keep the initial mark-up high enough to cover price reductions, discounts, shrinkage and other anticipated expenses, and still achieve a satisfactory profit. Retailers with a varied product selection can use different mark-ups on each product line.

2. Vendor Pricing

Manufacturer suggested retail price (MSRP) is a common strategy used by the smaller retail shops to avoid price wars and still maintain a decent profit. Some suppliers have minimum advertised prices but also suggest the retail price. By pricing products with the suggested retail prices supplied by the vendor, the retailer is out of the decision-making process. Another issue with using pre-set prices is that it does not allow a retailer to have an advantage over the competition.

3. Competitive Pricing

Consumers have many choices and are generally willing to shop around to receive the best price. Retailers considering a competitive pricing strategy will need to provide outstanding customer service to stand above the competition.

- a. **Pricing below competition** simply means pricing products lower than the competitor's price. This strategy works well if the retailer negotiates the best prices, reduces costs and develops a marketing strategy to focus on price specials.
- b. **Prestige pricing, or pricing above competition**, may be considered when location,

exclusivity or unique customer service can justify higher prices. Retailers that stock high-quality merchandise that is not available at any other location may be quite successful in pricing their products above competitors.

4. Psychological Pricing

Psychological pricing is used when prices are set to a certain level where the consumer perceives the price to be fair. The most common method is odd-pricing using figures that end in 5, 7 or 9. It is believed that consumers tend to round down a price of \$9.95 to \$9, rather than \$10.

STEP 5 - NICHE MARKETING

A **niche market** is the subset of the market on which a specific product is focusing; therefore the market niche defines the specific product features aimed at satisfying specific market needs, as well as the price range, production quality and the demographics that is intended to impact.

In the handicraft industry several niche markets exist for instance:

- ✓ Coconut products
- ✓ Tribal products
- ✓ Eco friendly products
- ✓ Fashion (jewelry, clothing, etc)
- ✓ Furniture
- ✓ Home décor and accessories

Therefore handicraft producers have a wide range of options available to them when choosing which markets to pursue and should carefully examine which niche market they should penetrate given their resources and talent.

Online niche marketing

An often used technique for affiliate marketers is Internet-based segments of larger markets, referred to as niches; a website can be developed and promoted quickly to uniquely serve a targeted and usually loyal customer base, giving the affiliate a small but regular income stream. This technique is then repeated across several other niche websites until a desired income level is achieved. A bigger niche is harder to market to as the expense of online advertisements increases according to the popularity of the keywords used (on Adwords, for example).

Some niches may become saturated with marketers, increasing competition and thus, according to the economic law of supply and demand, reducing the slice of the pie available to each competitor. One solution is to find smaller, "undiscovered," but still profitable, niches, usually by searching out the best keywords to target. These lower cost keywords are called *long-tailed keywords*, as in the long tail of secondary keyword phrases that usually follow the main keyword in popularity of number of searches conducted by internet users. Some are too obscure and may have very few or even no clicks per month, and therefore not much use to target.

The typical characteristics of profitable niche markets are high demand and relatively low supply or low competition. You want to choose a niche with a high search volume and relatively low advertising competition to give yourself the best chance of being competitive and working your way onto the first page of the major search engines. Many internet marketers start out with very small advertising budgets hence choosing a cluttered and competitive niche will be counter-productive and quite mentally discouraging. Instead, do your due diligence and find a niche with a customer base whose needs are not currently being met to their satisfaction. This gives you the opportunity to step in and fill that void.

The concept of niche marketing can be well understood by the following example: A number of television channels cater to the need of a particular niche; for example, sports channels like STAR Sports, ESPN, STAR Cricket, Fox, Playboy and Comedy Central target a niche of sports lovers.

Low Competition Niches vs. High Competition Niches

Low Competition Niches	High Competition Niche
Benefits: Due to the lack of competition, it is easier for buyers to locate you, and you can set trends for this particular market.	Benefits: You have the customer base and the potential to earn profit due to the demand, and you will be able to follow trends of experienced professionals in your field, as they have succeeded already and can help you. This can assist you in competing in this niche market, and show you the benefits of risking from time to time with your business. Competitive niches can be beneficial in that you will be able to find out new things that can get your affiliate marketing business off the ground.
Downsides: You can certainly run into the trouble of not having any customers for this niche, especially if it's an especially unpopular one. For example, do not try to sell cactuses in the desert; there would not be any buyers, so you would not make much money at all in the end.	Downsides: The competition can also bring you your greatest enemy when entering a competitive niche market. Make sure you are up to the task in order to take sales from these experienced marketing businesses, or else you will most certainly fail. Some time must be taken to get off the ground. You will have to work harder as well to get the buyer to notice you, as the higher number of rivals makes you smaller. If you want to thrive in a competitive niche market, make sure you know more about your niche than they do, or at least as much. If you make the mistake of just leaping into this competitive niche market without doing the proper research on it, you will not be able to provide yourself with a unique angle and get any customers. To sum it up, it can be tough to get into this racket, but if you can break through, you will definitely earn a great profit.

Points to Consider....

The Worst Pricing Decision You Can Make

When you think (or hear someone in your business say) “We need the work. For now, we will set our prices really low. Then, as we get more business, we will raise our prices”, alarm bells should go off. This is one of the worst marketing mistakes you can make. Why? Because you will struggle from the outset just to cover your costs. And, even if you do have some profit left over, you will resent working so hard for such a little payoff.

Your company will also be positioned as lower in quality versus most of your competitors (whether or not it is true). Avoid this situation at all costs and price your service right the first time.

Why it is Better to Err on the Side of Higher Pricing

If you have two price points you are considering, but are unsure which is right, choose the higher one. This will position you as higher quality and will ensure adequate profitability from the get-go. And should you meet resistance at this price, you can discount down to an acceptable price (see below). The alternative is choosing a too-low price which leaves no room for negotiation...or profit.

The Second Worst Pricing Decision You Can Make

Have you ever heard a sales rep say “OK, if I lower my price to \$15, will you buy?” The problem with discounting your price in this way is that it communicates your price is over-inflated. And if the buyer perceives this, he/she will feel compelled to negotiate until he/she finds out the true price.

Instead, it is much better to link any price discounts with an equal reduction in services or product offered. For example, you might say “OK, I can reduce my price to \$15 by reducing our 5-year warranty to 3 years.” This way, you have shown flexibility in meeting the needs of your buyer, yet have maintained your pricing integrity.

Commit Your Pricing Strategy to Paper

Once you have finalised your pricing strategies, write them down. This commits you to a plan of attack, and gives you something to refer to when you plan again next year. It should look something like this:

Pricing strategy: We will premium price our products in the top third of our market.

We will do this because it (rationale):

1. Positions us as higher quality than our competition.
2. Further justifies our additional services.
3. Ensures adequate margins now and in the future.

Remember... Sure, pricing is a financial matter. But just as important, it is a marketing matter that impacts your positioning, your selling abilities and your brand. Follow the steps outlined above and you will ensure you set—and get—the right prices.

Also quote **FOB (free on board) only!** Note that this includes packaging, transport, export handling, and documentation.

ORGANIZING BUSINESS VISITS

STEP 6 - BUYER/ IMPORTER RESEARCH

Getting an Appointment with a Retail Buyer

Retail store buyers have increasing pressure to produce more with fewer resources. For this reason they are often inclined to stick with tried and true vendors whose product lines they know will produce the gross profit margin required by their superiors. As a result it is often very difficult for a new vendor to get that crucial first appointment. While it may be true that buyers in specialty markets may be more open-minded than those in large chain or department stores, they will still be under pressure to perform.

The vendor therefore must convince the buyer that their company can:

- Deliver a creative, interesting product or product mix that will sell through at full mark-ups to the consumer.
- Deliver the quality level of product that is displayed in the sample shown to the buyer.
- Ship the product on time at the agreed price.
- Support the purchasing agreement with guarantees. The buyer must be confident that defective or damaged merchandise will either be replaced by the vendor free of charge, or that he/she will be refunded for the purchase price of the item.

Even if the vendor is able and willing to do all of these things, it can still be very difficult to get that first foot in the door of the buyer's office. Therefore it is important to undertake research to find out buyer preferences.

Researching the Store and Buyer's Preferences

Visit the retailer's store or web site or conduct a simple buyer survey before you or your sales agent make that first call. Familiarise yourself with the retailer's product line and have some clear ideas on how your product or product line will fit in. Learn what issues are important to this specific buyer.

Specifics things to consider are:

- Price points – What are the standard price points in the store? If your products are sold for a similar price, would the retailer be making an acceptable gross margin on your products?
- What is an acceptable gross margin for this particular retailer? Are you able to sell your products profitably for the amount that the retailer could realistically pay?
- Purchasing Quantities – How much stock is the retailer likely to carry of products in your category? What is their usual initial order size? Do they typically repeat orders?
- Seasonal Purchasing – Do they purchase during certain months of the year? When are those months? When would they rather not hear from you?
- Target Consumers – Who is the store's primary target market? How does this affect price and quality expectations?
- Packaging and In-Store Promotions – Does the buyer favor vendors who provide special package or in-store support or display features? If so, what do other vendors provide

and what is expected of you or your sales representative? What are the costs of these additional services?

- Delivery – What are typical lead times for this buyer from order date to delivery? Can you meet that schedule, or can you convince the buyer to alter these guidelines by offering other unique features or services?
- Payment Terms – How do they typically pay? How will you ensure that you are paid and will the buyer be comfortable with the terms that work for your company?

STEP 7 - ESTABLISHING CONTACT WITH POTENTIAL BUYERS

Once you have thoroughly researched the buyer's product mix, store, and preferences, you can use the following approach to make contact:

- Write a letter or e-mail to the buyer introducing yourself, your company and your products. You may already have done this if you have sent a sample survey. If this is a second letter, it should include more detailed information on your products. You may wish to include catalogues, product specification sheets like those included in your workbook, photographs of products, swatch cards, etc. Close the letter by saying you will follow up by phone or e-mail.
- One week following the buyer's likely receipt of your package, follow up by phone or email. If the buyer is not available and you get voice mail, check with his/her receptionist to determine if he/she is in town. If so, leave a message. If your message is not returned within two days, repeat the call or e-mail message. Try this two more times if necessary.
- If the buyer is not in town, find out when he/she will be returning and call then. If these approaches fail, try the following.
- Call the buyer's assistant if he/she has one. This person's name is usually easily retrieved from the main receptionist. Perhaps that assistant will be able to contact the buyer on your behalf or suggest the best time for you to try to make contact with the buyer. Ask if you can follow up in a couple of days, and make sure you contact that assistant on the prearranged day.
- If neither of these approaches works, file this contact for follow up in a month's time and go on to the next. There is no point wasting valuable resources and time on an unresponsive buyer. In a month there may be staff changes that will work in your favour.

Points to consider...

Your First Meeting or Phone Call with the Buyer

First impressions can make or break your relationship with the buyer, hence the importance of anticipating the buyer's needs and wants before you (or your sales agent) speak with her personally.

A knowledgeable vendor will be more likely to attract the buyer's attention and command respect. Keep in mind buyers are often very busy and you do not want to be perceived as

wasting their time. You should be prepared to speak knowledgeably about all of the topics of concern to the buyer.

Even if your conversation goes smoothly, you may be faced with a hard economic reality. The buyer may have finished his/her purchasing for the season. If you are presented with this objection try to persevere. Suggest to the buyer that you think she would still be impressed with your products and services and you would like to either meet with her personally or send a sample anyway in anticipation of her next seasonal cycle of purchases. You want to be at the top of her list when she is starting to purchase the following season so that she will allot inventory space and purchasing dollars to your product line.

If the buyer agrees to meet with you (or your sales agent) or to review your products, ensure that you write down exactly what she/he wants to see. During your meeting or on sending your written presentation, these items should be presented first. Do not exclude other products that you think would add value to your buyer's retail mix, just ensure that you treat the buyer's specific requests with the respect they deserve.

During an initial meeting it is critical to have all details at your fingertips so that you can walk away with an order and close the sale. Review the items of concern to the buyer again, and ensure that you have finalised all of the pertinent information relating to your product, pricing, delivery, terms etc. so that the buyer has all the tools to issue a purchase order.

See Section 4 for tips on Negotiations

STEP 8 - PRESENTING YOUR PRODUCTS TO COMMERCIAL REPRESENTATIVES

While some companies go to great length to provide expensive catalogues and brochures of products, the rapidly changing nature of the handicraft and textile industries often makes this process prohibitively expensive for the small entrepreneur. Independent retail store buyers and museum store buyers are quite accustomed to receiving less lavish presentations from smaller manufacturers. While the presentation does not need to be expensively produced, it does need to be well organised and all of the appropriate information that the buyer needs to make a decision, must be included.

Online Sales -Social Media Networks

The concept: The term *social networking site* encompass a wide range of websites and applications where the goal is to allow users of a certain group, or having a certain interest, to connect, interact and share things. Popular examples include **MySpace.com** and **LinkedIn.com**.

Most of those websites allow its members to write a small bio or profile, and usually a link can be included. Given the popularity of social networking sites, it is possible to use those websites to generate traffic to your own website.

Does it work? Yes, provided you are minimally active on the social networking sites where you

plan to promote your website. The traffic can also be significant depending on how popular your “profile page” will get. I have seen webmasters receiving as much as 500 hits a day from MySpace or Facebook profiles.

Another advantage of registering with those services is that some of them will follow the profile links of members, meaning that you will also reap some SEO (Search Engine Optimisation)¹ benefits along the way.

How to get started: First of all you need to create an account on those services. Some that you might consider are:

- ✓ MySpace
- ✓ Facebook
- ✓ Twitter
- ✓ MyBlogLog
- ✓ LinkedIn
- ✓ FriendFeed

Once you have an account, you will need to accumulate as many friends and contacts as possible. Just get busy and active in the community and people will notice you. Make sure to add your link to your profile, and try to share it inside specific groups as well. As usual, test with different strategies until you find efficient ways to drive traffic to your own site.

See Appendix B for further tips on maximizing your Social Media experience.

NEGOTIATIONS

STEP 9 - ORDER NEGOTIATING PHASE

This is the most crucial phase of an order. **Negotiating is the key to any business deal.** Buyers are not doing you a favour, nor should you do the buyer a favour. Both parties want to profit from the transaction.

1. Price negotiations

Always negotiate prices in relation to order quantities. Are there any extra costs you may incur? Major US buyers may require that you cover additional costs yourself! For example, Target Corporation’s conditions include:

- Export agency charges
- 10% new stock
- 5% defective merchandise
- 0.01% for 30 day letter of credit (LC)
- Packaging

¹ **Search engine optimization (SEO)** is the process of improving the visibility of a website or a web page in search engines via the "natural" or un-paid ("organic" or "algorithmic") search results.

- Dry bags
- Production and shipping of labels
- Insurance
- Quality control testing, including all courier charges (DHL, FedEx)
- Production samples, including all courier charges
- Participation at training sessions (these may require you to travel abroad at your own expense)

2. Terms and conditions

Develop your own terms and conditions:

- Terms of payment
- Terms of delivery

For example, in an **ownership clause**, items remain your property until fully paid for. This can be crucial if your buyer files bankruptcy before having paid you in full for your products. Learn to carefully study the terms and conditions of your buyer – value the different terms. This will quickly guide you in prioritising the terms and deciding which are unacceptable.

Dispute terms you cannot agree to!

3. Written agreements

Put all agreements in writing and have them signed by both parties. Even if agreements are reached orally, make sure to formulate these in writing and have your buyer sign them. Keep all emails and contracts in a separate file – you may need them if problems arises!

4. Who does what?

Try as early as possible to understand the hierarchy and division of labour in your buyer's company. Who is responsible for what? Who has the authority to make decisions?

5. Pre-financing orders

- Pre-financing an order may be accomplished via:
- Using your own funds
- Advance payment from the buyer
- Bank loan – learn to negotiate lending terms (LC, OC, etc.)
- Loans in hard currency or local currency -- What are the implications?

Solicit offers from various banks. Even if you decide to stay with your bank, this will strengthen your **bargaining position**. Inquire whether there are donor or government loans you can apply for at more favourable interest rates. You often have to explicitly ask for these, as most banks would rather sell you their higher lending rates.

Remember, banks are businesses that aim to make a profit. They are not doing you a favour. Do not be afraid to **negotiate**, especially in regards to miscellaneous bank charges. Keep your financial statements up to date, as you will be required to show these. What securities do you have?

STEP 10 - INTERNATIONAL NEGOTIATIONS

Negotiating successfully in international trade requires a delicate balance of finely tuned people skills and technical expertise.

The starting point for a winning strategy in global trade is a sensitive understanding of foreign cultures and then you can follow the tips outlined below:

- Know foreign expectations
- Have a well developed Negotiation Plan
- Lead discussions humbly
- Listen before making a point
- Respect negotiating opponents
- Manage time wisely
- Take time to socialise before working
- Make sure opening demands are not too modest
- Provide enough time so as to not have to settle too quickly
- Avoid the attitude of “My way is the best way”
- Do not be afraid of silence
- Do not disclose too much too soon
- Negotiate face to face
- Use win-win tactics
- Note differences in communication
- Observe attitudes towards conflict
- Trust opponents but do homework
- Observe how tasks are completed
- Note policies on disclosing certain types of information
- Observe and understand Body Language
- Don’t make the mistake that what is acceptable in your country is also acceptable in another country.

Negotiation Skills on the Phone or Internet

Technological advancements over recent years have forever changed the way people negotiate and the negotiation skills used. The invention of the phone and internet for example, has enabled global negotiations to occur at a much more rapid pace.

However, whilst these inventions certainly have made things much more convenient, negotiating over the telephone or internet is a lot harder than negotiating with someone in person. One of the main reasons for this is lack of non verbal communication you receive. For example, if you are speaking to someone on the phone you cannot see them so you cannot see their body language.

Understanding body language as we mentioned previously, is an essential negotiation skill because it allows you to make an assessment of the person you are negotiating with, which then allows you to alter the negotiation tactics you use. However, since you cannot see a person’s body language over the phone, your negotiation skills largely rely upon your ability to listen to

the tone of someone's voice during the negotiation process.

Once you become skilled at this you would be able to determine when someone agrees with your proposal, if they disagree, if they are warming to it or if they are scared off by it. In addition, telephone negotiation skills also involve your ability to use your voice in an interesting and expressive way. As a result you must become an excellent communicator if you are to have good negotiation skills over the phone.

To help you develop these skills a good tip is to listen to talk radio and how the radio host uses their voice to keep the audience interested in what they are saying. Also attending some speaking courses can provide you with tremendous benefit when you negotiate with people you cannot see.

PROMOTING YOUR PRODUCTS E.G. LAUNCHING NEW PRODUCTS, PREPARATION OF CATALOGUES, ETC

STEP 11 - HAVING A PROFESSIONAL PRESENCE- CATALOGUES, WEBSITE, CARDS, HANG TAGS.

Although it was mentioned previously that the use of catalogues can be overlooked for small independent retailers when approaching large department stores for business, it is imperative to have a professional presence. Your corporate identity is essential to build up a professional presence, which accounts for core values, behavior, symbols and communication, and other principles. It is what identifies your company and the products you represent in the marketplace. Success in export markets depends on excellent preparations to meet the expectations of the global marketplace. Therefore special attention must be paid to this aspect of your business as it is as important as the products you produce.

Below is a list of items you will need to consider as part of your marketing package.

Company Profile. To give buyers an idea about your company. Bear in mind that your company profile should reflect what a buyer likes to know about his supplier. To help potential customers evaluate the appropriateness of your company for their needs, it should include:

- ✓ Your company's background and history
- ✓ Your company's corporate philosophy
- ✓ How is your company organised?
- ✓ Which products and services are offered?
- ✓ Does your company understand the needs and requirements of its market partners?

- ✓ Which are the technical and commercial skills, how are the offered products and/or services designed, developed and implemented?

Business Card. This sounds simple but many companies assume they do not need one. Take care that it is well designed, has all the relevant contact information, and is easily readable.

Product Catalogue. Printed catalogues are produced when there is a need to display a large range or number of products. Product descriptions are accompanied by photos or drawings. A good catalogue is not always easy to produce. Creativity is a must for an attractive and appealing catalogue that will impress your customers. The artwork should be a high priority, both for the text as well as for the layout photos and other illustrative elements. The catalogue's colours should be attractive and professionally matched. Key information should cover product code numbers, specifications and materials used.

Website. If you have a website, ensure it is up to date. Websites serve as a reference for your company but also need to be promoted. Many companies spend thousands of dollars on the creation of a website and wonder why they do not have any visitors. The reason is simple: no one knows it is there.

Promotional Material - Product Sheets. Product sheets are usually one-page formats which provide more detailed information on specific products. They can be distributed as loose leaflets as well as inserts in company brochures and replaced when required. You can easily prepare product sheets with the help of a computer and a colour printer. This will further reduce production costs and at the same time allow you adapt and update the sheets easily.

Hang tags. It is very important to design a nice hang tag for your product. It will list name, style number, raw material content, colour, size of your product. Hang tags are a good tool to advertise the maker, and to specify that the product complies with safety standards. In many cases, hang tags are used to describe the cultural importance of your design; to explain how it is made and its traditional uses. Make hang tags as beautiful as your products.

Insert cards. An insert card should be used professionally, especially for high-end products. This is a removable card or label that "romances" the product, tells its story and/or the artisan's story to help increase the likelihood someone will buy it.

Care labels. A care label giving care and cleaning instructions is permanently or semi-permanently attached to a product. It is often applied to lacquer ware and textile articles, of which imported textiles have specific care-label requirements.

STEP 12 - PRICING FOR EXPORT -PRESENTING PRICES TO YOUR CUSTOMER

When quoting a price to a United States (US) or United Kingdom (UK) customer it is important to be clear on exactly what that price covers.

Following are a variety of costs associated with exporting a product to the US or UK. Your quote

should clearly stipulate who is responsible for covering each of the costs associated with the items below.

- Special packaging for overseas shipping
- Duties
- Freight
- Brokerage
- Insurance
- Financing charges like L.C.(specify) costs
- Domestic shipping in the US or UK
- Sales taxes (if applicable)
- Any other handling or special costs associated with an export shipment
- Quota costs (if applicable)
- Other issues that should be discussed in the quotation are:
 - Currency used
 - Purchase quantities upon which the price is based
 - Payment terms
 - Product guarantees and return policies
 - The period of time for which the price is valid

A detailed price list can be developed to include all of this information, or a written quotation attached to the specification sheet on company letterhead will also suffice. This is particularly appropriate if you are only quoting on one or two items, or if you have made modifications to items or developed products specifically for this customer. Make sure that the written quotation accompanying the specification sheet cross-references the product's style number and any other critical information that can affect pricing.

STEP 13 - INTERNATIONAL MARKETING

It is very difficult for small, foreign companies to break into the very large UK and US department store and chain store market for handicraft and textile products. For this reason, it may be more appropriate to focus on smaller specialty markets where quantities demanded are smaller, and where buyers are more accessible, have less rigid buying requirements, and are more entrepreneurial and open-minded in their purchasing behaviour. Two markets that may meet these criteria are profiled below.

a. Museums, Art Galleries, and Zoos

In the United States, for example, there are a staggering number of museums, art galleries, and zoos, many of which have sophisticated retail shops in order to generate much needed revenue for the institution. The American Association of Museums alone represents some 11,300 museum professionals, volunteers and trustees, has 1500 corporate members and 3000 institutional members. Art museums, natural history museums, historical sites, children's museums, and zoos are some of the organisations represented in this association. The Museum Store Association serves approximately 1900 institutional members and has an annual trade show where vendors can exhibit goods to museum store buyers. To learn more about this potential target market the following web sites and references may be of use.

Organisation or Institution	Website Address	Brief Description
USA		
American Association of Museums	www.aam-us.org	National organisation representing the museum community.
Association of African American Museums	www.artnoir.com	Provides training and member services to African American museums and museum professionals.
National Craft Association	www.craftassoc.com	Information and resource center for the professional arts and crafts industry.
Association of Children's Museums	www.childrensmuseums.org	Source of information and professional development for museum professionals serving young visitors.
The Museum Stores Association	www.museumdistrict.com	International organization representing museum store professionals. They hold an annual trade show for members.
UK		
Museum Association	www.museumsassociation.org	International organisation representing the museum community worldwide.
Rural Crafts Association	www.ruralcraftsassociation.co.uk	Information and resource center for the professional arts and crafts industry.

b. Independent Retailers

Another strategy that might be employed to break into the US market would be to target independently owned retail businesses. For example, there are 64,725 furniture and home furnishings stores and 156,601 clothing and clothing accessories stores in the United States. This does not include either department stores or discounters or mass merchandisers. All of these stores are potential outlets for your products.

Target Marketing

Regardless of what market you are targeting, marketing is a customer-oriented approach to business that starts with a thorough knowledge of both the consumer's **and** your customer's needs and wants. This is the basis for ensuring that all business decisions are made with the objective of serving the target segment better than your competition does and within the company's resources. This process is commonly referred to as the Four C's – Consumer, Customer/Channel of Distribution, Competition and Company.

CONSUMERS

Clearly defining and understanding your target consumer is a key requirement:	Some aspects to consider
Consumer profile – statistical definition of age, income, marital status, occupation, location, ethnic background.	The tighter the definition, the more efficient the focus.
Image perception – How do they perceive your type of merchandise?	Is it by item? Is it a line of products? Is it a famous brand name?
Purchasing patterns – How, when, where, why, what do they purchase?	Various segments shop differently. For example, working mothers vs. single men. It is important to think about who will be ultimately using your products and where they will be shopping.
What are current consumer attitudes, opinions, and ways of thinking?	Are the consumers in your target market risk takers, culturally aware, or conservative and traditional?
How are their values or standards in life changing?	Have current world events affected consumers' buying patterns? Travel patterns, amount of time spent at home with family, time availability for shopping are all issues to consider.
What is your target consumer's way of life?	Highly social, experimental, reclusive?
How will changing statistical characteristics of the population affect business?	Aging baby boomers, increasing affluence in African American population.
Where are your target consumers located? What are the primary and secondary geographical markets for these consumers?	Major metropolitan centers, rural areas, widely spread out throughout country, concentrated in one primary geographical area.

CUSTOMER/CHANNEL DISTRIBUTION

A detailed knowledge of your retail customers, how they serve various consumer segments, and how they buy is critical to selling to them.	Some aspects to consider:
Customer profile – type of store, size of stores, geographical locations, who their target consumers are, pricing strategy, financial strength, organizational structure.	The tighter the definition, the more efficient the focus.
How big the market is and what share of the market does each type of retailer have?	Are you targeting the right customers in this market? Who should your key target accounts be?
Image perception – How do they perceive your type of merchandise?	Is it by item? Is it a line of products? Is it a famous brand name?

Purchasing patterns – How, when, where, why, what do they purchase?	Do they buy seasonally or for special occasions? What is the buying cycle? Are they accustomed to purchasing goods offshore? Do individuals make buying decisions or are they made by committee? Do they buy centrally, regionally, or at the store level? Do they attend trade shows? Do they prefer to buy through sales agents or direct from the manufacturer? Do buyers travel?
What are current customer attitudes, opinions and ways of thinking?	Are the customers you are targeting risk takers, culturally aware, or are they cautious and risk averse?
How are their values, standards in life, and economic realities changing?	Have current world events affected customers' buying patterns? Travel patterns, inventory levels, shipping lead times all tied to financial budgets are realities for today's buyers in all markets.
Where are your target customers located? What are the primary and secondary geographical markets for these customers?	Major metropolitan centers, rural areas, widely spread out throughout country, concentrated in one primary geographical area. How does this affect shipping of your products? Do they go to one central distribution center or will you be expected to ship to a variety of locations?
What innovations are occurring in retailing?	Can you capitalize? How does access to internet affect your ability to service foreign markets?

COMPETITION

An honest, objective assessment of competition is critical to knowing how to outperform competition:	Some aspects to consider:
Who are your key competitors? How big the market is and what share of market do your key competitors have?	Do you have a lot of competitors? If so, what will set you apart and make you unique?
What are your competitors' strengths and weaknesses?	Where can you outperform? Where will you need to improve? What are the advantages of dealing with you instead of your competitors?
What are the competitors' strategies? How are competitors positioning themselves in the market?	Can competition be beaten? Examine realistically where there is an opening and be careful not to spend valuable resources pursuing business that a competitor cannot lose. Is a dominant firm already in a position you would like to be in?

COMPANY INFORMATION

How is your company doing?	Some aspects to consider:
Is your company profitable and can you cover the costs to expand into an international market?	Selling to customers in the US can be both time consuming and expensive. Do you have the resources, or are the resources available to do this effectively?
Do you have good organisational systems?	Exporting to the US requires significant backup documentation. Do you have the systems in place to keep track of invoices, purchase orders from suppliers, country of origin of raw materials, etc.?
Do you have an adequate line of credit or are the banking facilities available to you willing to extend credit to foreign customers?	Are you on good terms with your bank? Can your bank facilitate letters of credit to US customers? Is your operating line sufficient to cover the initial exporting start-up costs or do you need to take a loan or secure an equity investor? Have you calculated those costs?
Is there someone who is responsible for the results and leadership of the company?	Do you have the vision, ability, patience, and stubborn willpower to overcome the many obstacles you will face?
Is there sufficient staff to do the job well without placing undue stress on management?	You cannot do it alone. Do you have trained, reliable, responsible staff to assist you in accomplishing your objectives and to manage the company if you need to travel abroad?
Do you have the knowledge to keep up with modern management techniques expected by US and UK customers?	You will need inside or outside assistance to ensure that you get it right the first time. You may not get a second chance. Have you established a good advisory team?
How will specific economic factors impact on your business?	How will the US economy, trade policy between your country and US, currency valuations affect your export strategy?

Points to consider...

Umbrella Branding

Handicraft producers can use umbrella branding to provide greater exposure for their products. For instance, a producer who is capable of making jewellery can also add home accessory products to his line of products in order to benefit from using one brand name.²

² An **umbrella brand** is an overarching brand used across multiple related products. Umbrella branding is also known as family branding. It contrasts with individual product branding, in which each product in a portfolio is given a unique brand name and identity.

There are often economies of scope associated with umbrella branding since multiple products can be efficiently promoted with a single advertisement or campaign. Umbrella branding facilitates new product introductions by providing a familiar brand name, which can lead to trial purchase, product acceptance, or other advantages.

Umbrella branding may impose on the brand owner a greater burden to maintain consistent quality. If the quality of one product in the brand family is compromised, it could impact on the reputation of all the others. For this reason umbrella branding is generally limited to product lines that consist of products of similar quality.

The best example is Nestle - Nestle Drinks, Nestle Cheese, Nestle Milk, Nestle Ice cream, Nestle Chocolates etc

PREPARING FOR TRADESHOWS

STEP 14 - WHERE TO GO... TRADE SHOWS?

As the market landscape evolves, many people are questioning the role trade shows (or “trade fairs”) will play in the future. Some argue that their importance is waning with the growth of direct sourcing and online sales—buyers no longer need to attend shows when so much can be accomplished by internet and with direct visits to producers. Others claim there are simply too many shows scheduled too closely together, largely because organising them is a lucrative business. This puts a strain on both exhibitors and buyers, many of whom have become very selective in which ones they attend.

Whereas in the past retailers may have walked numerous trade shows, today most attend only a few per year, usually in January. Shows that are frequently missed because of crowded schedules or limited budgets must develop new revenue sources, such as inviting the general public to attend “cash-and-carry” days that further diminish appeal to the trade. Other shows have become regional in their draw, attracting smaller businesses with significantly lower sales volumes. At the same time, classic shows like the New York International Gift Fair (<http://www.nyigf.com>), America’s Mart in Atlanta, Georgia (<http://www.americasmart.com>), and Ambiente in Frankfurt, Germany (<http://ambiente.messefrankfurt.com>), have continued to expand their national and international importance, and a number newer shows, such as the Las Vegas Market (<http://www.lasvegasmarket.com>), have gained in prominence. Despite these conflicting views, the majority of buyers who attend these shows believe that trade shows will continue to thrive. This is mostly attributable to the fact that they offer buyers the opportunity to see, touch, and compare product samples from numerous producers, and to research many options in one location over a short period of time.

Traditionally trade shows have been strongly attended, with sales up before the recession in 2008. Most shows were cancelled during 2009 and 2010 due to low registration by exhibitors but in 2011 trade shows are expected to regain their popularity as they remain essential not only for discovering new suppliers and products, but also for observing trends and assessing competitors. For small producers, they provide a venue at which to identify potential importers

for multiple markets, and for agents an opportunity to promote their services.

In the United States, the Las Vegas and New York shows are currently increasing in size and importance, while San Francisco and High Point are seen to be in decline; Atlanta and New York remain the largest shows for gifts and handicrafts. Internationally, Ambiente and Tendance in Frankfurt (<http://tendance.messefrankfurt.com>) are considered the most important shows (from the perspective of US and European buyers) for consumer goods, followed by Maison et Objet in Paris (<http://www.maison-objet.com>), INDEX in Dubai (www.indexexhibition.com), and several in India, China, and elsewhere in Asia.

A list of Fair Trade organisers in UK and US are listed below:

UK		US	
Trade Craft Shop	http://www.traidcraftshop.co.uk/	New York International Gift Fair	http://www.nyigf.com/
One Village	http://www.onevillage.org/	Accessories The Show-New York	http://www.accessoriestheshow.com/category/new-york/
Oxfam	http://www.oxfam.org.uk/	The New York Ceramics Fair	http://www.caskeylees.com/NY_Ceramics/NY_Ceramics.html

STEP 15 - TRADE SHOW PROMOTIONS

Marketing Strategy

Well-planned and executed trade show promotions are essential to fully benefit from event participation and achieve your exhibiting goals.

For promotions to be effective, you must have specific objectives to measure success and have determined the role trade shows will play, as part of your overall sales and marketing plan.

Moreover, finding opportunistic shows that reach your target audience, along with having well designed, memorable trade show exhibits are essential to set the stage for successful outcomes.

Effective trade show marketing includes a multi-phased strategy that encompasses a variety of marketing channels to engage both prospects and customers. There are three phases of trade show promotion:

Phase 1: Personalised contact *prior* to the event.

Pre-sell conference registrants through personalised phone calls, written invitations, direct mail initiatives and/or email communications. You may also want to mail out meaningful giveaways along with a personalised letter to introduce your products, share your booth location, and encourage potential buyers to visit your exhibit.

To complement your efforts, be sure to leverage digital media by placing exhibiting information on your website, as well as utilising social networks and mobile marketing to get the message out.

Phase 2: Marketing activities *during* the show.

This includes live entertainment, hands-on activities, audio-visual programs, unique trade show booth attractions such as a cash cube money machine or an interactive game, tradeshow giveaways, and food - if permitted. Of course, a well-trained, professional, and welcoming trade show staff is paramount to success.

Phase 3: Follow-up *after* the show to convert leads into sales.

Send a personalised handwritten note, along with a customised company information packet or other appropriate material, to booth visitors within a week following the trade show event. For top leads, add a personal phone call to make a lasting impression and reinforce your commitment to service.

In this time of intense texting, email, and messaging through social networking sites, a personal phone call to your valued prospects makes a powerful impact and may help solidify the sale. Warm, personal contact is the consistent thread in every aspect of marketing and trade show promotions.

Strong, thoughtful relationship-building strategies before, during and after the show can effectively separate you from your competitors - and make the difference between generating a lead and making a sale.

Each contact you make reinforces your company's commitment to quality and customer care, which are essential attributes in the competitive marketplace.

In addition, trade show marketing strategies that focus on relationship management and personalised attention are just as important when you are participating in virtual trade shows as they are for traditional, face-to-face events.

Attract Booth Traffic

Being an exhibitor at a trade show can be one of the most important moves your business makes. However, it is also possible to spend a lot of money and walk away without getting the results you anticipated.

In order to ensure that you get the most bang for your buck at a trade show, you will need a solid promotional plan for attracting visitors to your trade show display booth.

By deploying strategies to maximize booth traffic, you'll have greater opportunity to increase sales and achieve your show objectives.

Attracting crowds is a matter of leveraging the power of natural human curiosity. If you can get just a few people to stop and gather round, the small crowd will naturally attract more and more people until you have got a large audience.

This is the same phenomenon that brings traffic on a highway to a standstill for miles when a few cars slow down to gawk at even the smallest fender bender. With so much competition in the exhibition hall, you will need to devise a strategy that makes your trade show display booth stand out from the crowd.

Below is a trade show booth ideas that have helped companies drive crowds of potential customers to their booths, capture the attention of important industry contacts, and generate media buzz.

PROMOTIONAL AD SPECIALTIES

Ad specialties and promotional items are standard trade show booth ideas at any event. Because every booth and competitor will typically be giving away promotional items, it is essential that your ad specialties stand out from the crowd.

Promotions expert Jonathan Edelman, president of Ideas4Now LLC, advises exhibitors to double the marketing power of ad specialties by choose promotional items that will be useful to people while they are at the trade show. When you give away ad specialty items that fill an immediate need for trade show attendees, they are much more likely to stop by and take one or try to win one.

Examples of ad specialties that work as powerful people magnets:

- A **canvas bag** printed with your logo gives trade show attendees a way to carry all the brochures and objects they have collected during the trade show. Because guests will carry your bag throughout the convention, this ad specialty doubles as a powerful moving billboard for your company.
- A refreshing **private label bottled water** is always accepted with a warm welcome by trade show guests who have spent the day doing a great deal of walking and talking. When you customise the label with your logo and company name, customers will carry it throughout the convention and do your advertising for you.
- Did you know that you could **private label your own snacks**? You can and it is incredibly inexpensive. Hungry trade show guests will happily stop by for a bag of chips, pretzels, candies, or other snacks in package with your name on it. Guests appreciate your gesture of kindness and will often stop and chat for a few minutes to return the favour. This gives you the ideal opportunity to engage in a conversation and make those

important connections.

For more great trade show booth ideas designed to drive crowds to your exhibit area, visit Trade-Show-Attractions.com

Using Giveaways

When used effectively, tradeshow promotional products serve as valuable marketing tools to increase exhibit booth traffic and maximize results. Following are tips on how to use trade show giveaways to enhance impact, lead generation, and sales when you exhibit at shows.

See Appendix C for further tips on Trade Show promotions

BONUS SECTION

GETTING PAID BY FOREIGN BUYERS

There is really no point going to all of this time and trouble if you are not going to get paid by your customer. Establishing payment terms with US and UK customers can be problematic. Here are some ideas on how to approach this important issue.

Letters of Credit and other Secure Methods of Payment

Typically US buyers in small retail companies are not familiar with letters of credit or other complicated financial instruments; however, they may be willing to guarantee payment with corporate credit cards. If a buyer is purchasing a sizable quantity of products from a foreign company, she/he may be more amenable to opening a letter of credit. The key to using this method of payment successfully is to ensure you have excellent guidance from your bank, lending institution or freight forwarder/broker when completing.

Minor discrepancies in documentation can have serious consequences. Ensure that the documentation that you receive from your financial institution is accurately and completely filled out prior to shipment.

There are also a variety of factoring companies in the United States that will purchase accounts receivables from manufacturers at a discount. They will then assume the responsibility of collecting those receivables. This eliminates the risk of non-payment for the supplier of the goods and services. This is a good solution where profit margins allow for the factor's fee.

Checking Bank and Trade References

Regardless of whether you have guaranteed payment through L.C.s or other methods, it is a good practice to conduct a credit check on foreign customers. Requesting names and contacts for at least three trade suppliers and the customer's bank is standard practice in the United States and could provide you with the information you need to determine whether your customer is trustworthy. Requests for credit information should be faxed to references, and you

should allow at least 3-5 business days processing time. Banks may charge a fee for this service.

AFTER THE ORDER

After completing an order most producers rarely take the time to critically analyse the process that was taken to complete the order and more so whether the customer was satisfied with the order. However, to avoid repeating costly mistakes or overlooking certain key points that would be needed for future orders it is important to perform an analysis of your processes especially when dealing with new clients so improvement can be made.

Below are a few steps that can be followed when performing this critical review:

1. Evaluation

Take the time to carefully analyse and evaluate the order:

- Where did things go wrong?
- What needs to be improved or avoided in future orders?
- What worked well and should be instituted for all future orders?

If possible, develop a **bonus system** for your workers to reward them for the successful execution of an order. Show your appreciation and commend them!

2. Finances

- Pay off your loans as soon as possible to cut interest rates to a minimum.
- Review your expenses.
- Review your prices and adjust if necessary.

3. Communicate with your buyer

- Has the shipment arrived on time?
- Are the products in good condition?
- Is the buyer happy with the quality of the products?
- How are the products selling?
- Can they offer any other useful feedback?

Again, this is all about building **trust** and **confidence** with your buyer.

4. Claims

- Offer to replace damaged products for which you consider yourself responsible.
- Avoid offering cash refunds or deductions from your final payments.

APPENDIX A

Tips on working with Commercial Agents

1. Getting the most out of the relationship with your agent

To get the most out of any commercial agent, you'll need to invest some time managing the relationship.

While it's obviously in their interests to sell as much of your product or service as they can, you need to bear in mind that they won't be as passionate about your business as you are - and they won't necessarily understand the **needs and complexities** of your business.

Keep regular contact. Agree on set intervals and what form the contact will take - email, letter, telephone or face-to-face meetings.

Both sides need to be clear about what is expected from the other. Your contract should outline responsibilities of the parties and should clarify what each side expects from the other. This will also help to minimize the risk of disputes.

You need to keep **detailed records** of what sales have been achieved, the level of goods returned and the commission paid to the agent. If you send letters or telephone your agent and you get no reply make a note of that also. All records relating to the relationship should be kept in a dedicated file.

You need to keep a check on how hard the agent is working on your behalf, which trade shows and exhibitions they have attended.

Keep notes of all conversations with your agent and what was said - such information may be useful in the event of a dispute. Also, make a note of any customer **complaints**.

If there are any problems, you need to deal with them straight away and not let them grow into something more significant.

For more information on handling and ending relationships with your sales agent see Section 4 below.

2. Drawing up a contract with an agent

It is important to draw up a contract with an agent, clearly setting out the responsibilities of both parties to the business relationship.

The contract should **define** exactly where the agent can sell your products and services, precisely what they are expected to sell and to which customers they are expected to sell.

It should also make clear what **payment** the agent will receive (commission, a retainer, or both),

what both parties expect from the relationship and also the duration of the contract.

Even if the relationship is **relatively informal**, it is important to draw up a contract - you may have legal obligations to the agent even if they're not in writing.

The agreement should also include information on how either party can terminate the contract, any notice periods and any dispute resolution procedures to be followed should the need arise.

You should use a solicitor who specialises in this form of commercial work to draw up the contract.

When drawing up a contract with an **overseas agent** you have got to be aware of potentially different interpretations of contract law across borders.

3. The law on commercial agents for both US and UK agents

A commercial agent is defined as a self-employed intermediary who has continuing authority to negotiate the selling or buying of goods on behalf of another person (the 'principal'), or to negotiate and conclude the selling or buying of goods on behalf of and in the name of that principal.

This definition covers incorporated and unincorporated bodies as well as individuals.

An individual cannot be a commercial agent if they are:

- an officer of a company or association and they have the power to enter into binding commitments on behalf of that company or association
- a partner who is lawfully authorized to enter into commitments binding on their partners
- an insolvency practitioner

The law on commercial agents for both US and UK agents covers the following salient points:

- Agents are given substantial **legal protection** - similar to that given to employees.
- You must supply a commercial agent with all necessary **documentation** and information concerning the goods or services you wish the agent to sell.
- You have to inform the agent if **sales volumes** are likely to be lower than expected.
- The agent is also required to make **proper efforts** on behalf of your business and to communicate all necessary information to you.
- The agent is entitled to the same **rates of pay** as other agents in the same sector if no figures are mentioned in the contract.
- The law also sets out statutory **notice periods** of up to three months for agents. In many cases, the agent is also entitled to compensation when the agency's contract is terminated.

For further information on the laws for Commercial Agents operating in the UK please visit <http://www.youngandpearce.co.uk/commercial-agents-guide.htm>

While for the US the law on Commercial Agents is governed by The Uniform Commercial Code, which has been substantially adopted as statutory law in nearly every state and governs numerous areas of commercial law. Currently it is divided into thirteen Articles:

- Article 1 (General Provisions)
- Article 2 (Sales)
- Article 2A (Leases)
- Article 3 (Negotiable Instruments)
- Article 4 (Bank Deposits)
- Article 4A (Funds Transfers)
- Article 5 (Letters of Credit)
- Article 6 (Bulk Sales)
- Article 7 (Warehouse Receipts)
- Article 8 (Investment Securities)
- Article 9 (Secured Transactions)
- Article 10 (Effective Date and Repealer)
- Article 11 (Effective Date and Transition Provisions)

For further information on each of these Acts please visit <http://www.law.cornell.edu/ucc/ucc.table.html>

4. Handling problems and ending the relationship with your agent

Relationships with commercial agents sometimes go wrong.

If you are dissatisfied with your agent's performance for any reason you must deal with the problem without delay.

If you are unhappy with sales levels don't immediately blame it on the agent not doing their job. There may be other market factors depressing sales volumes such as the economy, exchange rates or rival products entering your market.

Support your arguments with facts and figures and get the agent to explain his or her case similarly. If you have kept accurate records, it will help you prove your case. Don't lose your temper or become abusive since this could reflect badly on you if a case goes to court. It's important to **keep records** of any disputes you have with your agent.

If the relationship is not working and problems can't be resolved you may have no alternative but to **terminate** the agreement. You should follow any termination process outlined in your

agreement.

If your agent is self-employed, you will usually be required under the Commercial Agents (Council Directive) Regulations 1993 to give your agent a relevant **notice period**.

He or she may also be entitled to compensation set out either in your contract or under the Commercial Agents (Council Directive) Regulations 1993, which govern agent relationships.

Agents can enjoy similar rights to employees so it is usually important to take **legal advice** when terminating a contract.

To help you develop these skills a good tip is to listen to talk radio and how the radio host uses their voice to keep the audience interested in what they are saying. Also attending some speaking courses can provide you with tremendous benefit when you negotiate with people you cannot see.

APPENDIX B

Social Media Networks Tips

- ✓ Find People – How to Find People Online Quickly and Easily
<http://websearch.about.com/od/searchingtheweb/u/search-tools.htm>
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Appendix C

Trade Show Promotion Tips

Selecting the Right Giveaway

Choose promotional items that will be valued by booth visitors – and will be something they want to keep long after the show is over. As you evaluate your options, determine whether the imprinted products you are considering are something you would want to have yourself. If they

are, the giveaways will likely be something trade show attendees will also find appealing.

Preferably, the promotional items you select should have a connection to your business. For example, if you are selling computer-related products, an imprinted USB flash drive may be a logical choice.

Or, if you are in the beauty supply business, consider giving away an emery board with your logo and contact information displayed on it. A building company can hand out imprinted screwdrivers or tape measures.

You can also select an all-purpose item such as a tote bag, pen or magnet, which have universal appeal. If you are using one of these often-used trade show giveaways, make yours distinctive by selecting the latest style, shape or color so your item stands out from the rest.

Of course, your budget for tradeshow promotional products will dictate the type of giveaways you select. Contact a number of companies who specialise in promotional items and ask for advice. Tell them your budget, time frame for shipping and the quantity you need. Then, explain what you are trying to accomplish by exhibiting and ask for suggestions.

Plan ahead to ensure you have plenty of time to receive your order before you leave for the show. When placing your order, keep the information you want imprinted brief to enhance size and readability. Confirm turnaround time for your order.

In addition, ask your promotional products company for a proof before the printing begins to ensure your company logo and contact information are large enough and easy to read.

Include Promotional Items in Pre-Show Marketing

Attracting prospects and customers to your booth is a process that begins long before you arrive at your exhibition venue. Begin by making a list of your top prospects and customers whom you would like to see at the event.

A month before the show, begin a dialogue with them via phone, letter or email. If the number of people is manageable, a personal phone call by you or a member of your team is the most impressive method of contact.

Inform these high-priority individuals that you will be exhibiting at the upcoming event and hope to see them there. Give them your booth number and explain where your trade show display will be located in the conference hall. Then, invite them to come by your booth for a special promotional gift.

If possible, establish a time when they will come by and make sure your booth is staffed appropriately so you can have a meaningful exchange and garner a sale.

You may want to include information about your giveaway item on your website when you display your exhibiting calendar.

Smart Use of Giveaways during the Show

The way in which you hand out your tradeshow promotional products influences their perceived value and impact. Consider keeping your supply of trade show giveaways out of site rather than having them on a display table for any passerby to take.

Selectively hand out the imprinted products to booth visitors you've had to opportunity to speak with and who have expressed interest in your product or service. Remember that each person who stops at your exhibit display may be a potential buyer.

You can also pre-qualify prospects by asking for a business card or having them complete a short lead "information" form before you hand out the promotional item. This will help identify your top prospects and assist with follow-up efforts when you are back at the office after the show.

Evaluation and Use after the Show

When you return from the event and conduct your post-show evaluation, consider the impact of your tradeshow promotional products, as part of your evaluation criteria. While quantitative results may not be available, you and your team will have strong directional cues on the effectiveness of the items you selected. This will help determine the type of giveaway to use in the future.

In addition, you may want to test different imprinted products on different show days and/or different events to determine which are the most effective for your needs.

Any unused promotional items can take on a second life after the show. Some ideas include:

- Send extra giveaways to your customers who were unable to attend the show with a note telling them how much you value their business.
- Save extras for your next tradeshow event.
- Give to your employees as a way of saying you appreciate their daily efforts
- Use your extra giveaways to collect leads on your website. Have information on your site that entices site visitors to complete your inquiry form to receive a gift in the mail (for as long as supplies last).

For more information on tradeshow promotional products check <http://www.trade-show-attractions.com>

Promotions

At first glance, an event's crowded exhibition hall seems like a treasure trove for prospecting, generating viable new leads and driving product sales for your organisation.

Yet, considering all the distractions of the show and your competition in the industry vying for the attention of conference attendees, interest-grabbers in the form of unique promotional

items can help draw more people to your display booth.

With increased booth traffic, you will have the opportunity to meet and pre-qualify more prospects. And with a greater prospect pool, you will likely yield a greater number of viable leads and new customers.

According to *Incomm Center for Trade Show Research and Sales Training*, event attendees are 52% more likely to stop by your exhibit if you have appealing promotional items to give them.

As a result, awareness and interest in your exhibit and product line increase -- and you enhance potential for greater sales performance. So, what kind of promotional products are most effective?

Whether you choose items such as imprinted tote bags, USB drives, promotional mugs or ice scrapers, make sure your giveaways reflect your company image and have relevance to your prospect.

"The secret to getting the most visibility from the dollars you spend on promotional items is to choose gifts that people will want to use once they return to their homes and offices," said Jonathan E. Edelman of PromotionStore.com. A free catalog of the company's 750,000 items is available on request.

Here are important considerations to help you choose your giveaway.

- Does the item complement your company and product image?
- Do the giveaways you want to purchase match your budget?
- Are you able to easily imprint your key contact information and message on the trade show promotional item?
- Will you be able to get your shipment in time for the event?
- Is your giveaway unique and different from others you've seen?
- Is the item something YOU would like to have?

Effective Use of Giveaways

How you distribute your trade show promotional item makes a difference in its perceived value and marketing effectiveness. For example, do not stack your entire supply of giveaways on your booth table for just anyone to take.

This potentially diminishes the value of your "gift" to show attendees. Rather, personally and selectively hand out giveaways to visitors with whom you speak and who represent potential clients.

Through thoughtful distribution of advertising specialties your product will be more memorable to your prospect and serves as a way to show your appreciation for the booth visit.

You may also want to have booth visitors fill out a lead form before you offer the giveaway. This will further help qualify prospects and assist with your event follow-up marketing initiatives.

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