



# Taking it to the world

Moving into overseas markets is a logical step for many businesses, but how do you go about it? Is it really the right time? Ellie van Baaren takes a look at the myriad of ways of reaching international audiences and three Kiwi companies who are doing just that, each in their own way.

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**W**hen you've got a good product or service and ambitions to grow, it's easy to saturate a market as small as New Zealand. Then it's a matter of choosing what to do next – be content with domestic market share or explore your options overseas. The first choice is a lot less scary than the second, but taking your ideas to a much bigger pond can reap big rewards – if it's done right.

And that's where the biggest problems lie. How do you know when the time is right? How do you actually go about putting the right systems in place? Where do you target first? For every dream of world domination, there are a thousand questions that need to

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In one of his regular columns for New Zealand Trade and Enterprise (NZTE), Glidepath's owner, founder and director Ken Stevens writes that the benefits of exporting are multi-faceted.

"Exporting gives you access to bigger markets, increased sales and better profits. Higher sales can also lead to economies of scale and further improve the bottom line. Exporting is also very exciting and can be a lot of fun. There's nothing like the thrill of going into a new country and proving that you have a product or service that people around the world want. It also improves your business' long-term competitiveness by exposing it to new ideas."

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communication and the logistics of exporting a lot easier, but nothing can take the place of decent preparation and research. Heta Hudson, part of WHK Gosling's Business Growth team, says the keystone for any push overseas is a good plan.

"Preparing an export plan is a fundamental first step in any export strategy, and can be undertaken following the development of the New Zealand market or from the outset if the opportunity offshore is more obvious. A simple, practical and flexible plan will help you focus your activities to ensure you achieve defined outcomes and set measurable objectives and timelines for achieving your export goals."



company's contract with NZTE's Exporter Education programme so he's counselled a lot of businesses as they prepare to take that step into international markets. He says the biggest mistakes New Zealand businesses make is they don't take time to truly understand the market and their sustainable competitive advantage. They also tend to underestimate the time and cost of market development and maintaining those market relationships.

One of NZTE's Group General Managers, Jack Stephens, agrees. "Geographically, the further away from your home base you are, the harder it is, even though communications systems are better. How many businesses can afford to hop on a plane to Europe three or four times a year? Australia is closer, but it is still a different market and can be more challenging."

There is also an assumption that because a product or service sells well in New Zealand it's going to sell just as well around the world. But both Stephens and Hudson point out that some markets may be more open to your product or service than others, and for most it will require a slight tweak of your marketing to fit in with the different cultures and audiences.

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Firstly, you'll need to assess whether you're ready to target export markets – that you have the right systems in place, enough cash flow or access to finance, and that you're doing it for the right reasons. "Exporting is not for the faint-hearted," Stephens says. "Just because orders are down right now doesn't mean that the solution is to look to international markets."

The next step is to choose your first target market. It's a big decision and one that should be based on a lot of research, research that may involve you actually visiting the market and having a look

around. "More often than not, businesses will enter export markets as a result of an approach from an overseas customer," Hudson says. "Reacting to unsolicited enquiries may bear fruit but it has been our experience that businesses are more likely to be successful if they plan and execute a well-informed export plan."

Finally, understanding the market, your point of difference within that market and how you're going to get into that market will round off your initial preparation.

Then there's keeping up with the orders when they start flowing in. Hudson says one of the biggest challenges for new exporters is "scaling up" to meet the opportunities that come their way and having the finances to maintain a market presence. "Exporting is a long-term game that requires full commitment if you are to reap the long-term benefits," he says.

Fortunately accessing information has been made a lot easier by the internet, and there is a wealth of resources out there aimed at helping Kiwi businesses forge their way overseas. There are a number of organisations that offer mentors, business incubators to promote growth and courses and support offered through NZTE, economic development agencies, Export New Zealand and Chambers of Commerce helping Kiwi businesses forge their way overseas. There are a number of organisations that offer mentors, business incubators to promote growth and courses and support offered through NZTE, economic development agencies, Export New Zealand and Chambers of Commerce.

"Take small steps to reduce the potential risks but persevere when you reach obstacles," Ken Stevens writes. "Look for opportunities to collaborate with like-minded people, and if you feel that moving into exporting is just too big a step to handle alone, then consider forming an alliance with a supplier, customer or other business that's already working in global markets.

"Remember, every successful exporter at one stage had to take the leap from selling locally to selling to the world. They saw all the barriers and all the challenges, but they did it anyway."

The three companies Smart magazine talked to are all well established in several markets around the world, but they've all done it with very different products and services, and in very different ways.