

# Pointers To Draft An Export Business Plan

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## Why Is There A Need To Export?



Exports are critical to modern economies because they provide individuals and businesses with access to a larger market for their products.

One of the most important roles of diplomacy and foreign policy between governments is to promote economic trade by promoting exports and imports for the mutual benefit of all parties involved.

In a way it is the most natural next stage of any firm's business expansion plan when the domestic market has reached its saturation point for that particular goods or services.

It is also a way to offer and provide a company's products and services to a wide audience outside of the local marketplace.

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## Why Is It Important To Have An Export Business Plan?

An export business plan or strategy offers an enterprise which wants to export a straightforward, succinct roadmap. It is like going on a road trip with a detailed map that shows all the destinations and must-see scenic sightseeing spots.

It also aids in determining what, when, where, why and how to carry out the required task or procedure.

Very important: If you fail to plan, then you are definitely planning to fail!

### 1) Examine The Business – Self Assessment

Determine the product's USP (unique selling proposition) or rather UVP (unique value proposition). It is value that the product is offering and giving to the consumers to satisfy and meet their specific and required needs. Differentiate the products from the competitors and identify or pinpoint the market positioning of the product in the export marketplace.

E.g., the Made in Singapore branding is an extraordinarily strong UVP. It resembles quality and especially safety standards especially for food products which are ingested into the human bodies!

## 2) Understand The Keys To Export Success

Commitments and sacrifices which extends more than financial dollars and cents. They include time, effort, resources and full management as well as employee's participation and engagement.



**Very importantly, there is NO immediate ROI (return of investment)!**

Thence, sustainability and continuity are essential and crucial to strive through this export business venture.

When the going gets tough, the tough get going – no turning back!

## 3) Do The Needful Homework Well And Thoroughly

Undertake and conduct industry research as well as market analysis of the export marketplace. Identify and determine the competitors as what is required domestically to succeed and thrive.

Be aware that there might be a gap in the export market but is there a market in that gap for that specific product and / or services.

## 4) Proceed With Caution And Care

Prior to selecting and pinpointing an export marketplace, look and explore the markets nearer to home base i.e., the neighboring countries e.g., Malaysia in the north or Indonesia in the south. Likelihood is that this marketplace would have commonalities with the local domestic market. This will have little impact on the need to modify and alter the existing products which will help elevate the strain to the production capacity and capability including system and resources.

Leverage and capitalize on the Free Trade Agreements (FTAs) both bilateral and regionals. This will affect the selling price of the product in the export marketplace as the import tax or duties will be drastically reduced to almost nil over a period as stipulated in the FTAs.

PS: (Singapore has 15 bilateral FTAs and they are with China; European Union; India to name a few and 11 regional FTAs under the ASEAN-Australia-New Zealand FTA; ASEAN-Korea Free Trade Area et al.,)



## 5) Discern And Understand The Risks And Pitfalls

Be knowledgeable and well versed with the political environment of the export marketplace; its legal framework; the commercial and cultural landscape including language.

Find out the details about tariffs; trade barriers; quotas even the non-tariff measures – know whether they are of a commercial or legislative nature. Example would be compliance on labelling.

## 6) Financial And Capital Needs

Embark and perform a thorough yet detailed financial analysis as there is no immediate ROI. Ensure and ascertain sufficient funds are available or seek out business loans from financial institutions locally and abroad. Check with Enterprise Singapore (ESG) to understand and know the schemes and initiatives for SMEs to internationalise.



## 7) Establish And Set Realistic Goals With An Appropriate Timeline

Create and earmark the sales targets and performances as checkpoints or benchmarks as these will help to gauge and measure the ROI and stages of development and growth of the export business.

Do make ambitious plan and sales turnovers but ensure that they are achievable.



Complete the export business plan with an equally crucial marketing plan – the 5Ps (Product; Price; Place; People & Promotion) or 5Cs (Commodity; Cost; Convenience; Consumer & Communications).

**About the International Trade Specialist:**

Gerald has the industry experience and professional knowledge to assist and help Singapore food manufacturers discover the right business associates and partners and offer them with in-market facilitation through a supportive local community which is pivotal to aid Singapore food companies to steer and navigate through some of the challenges they face while embarking in this internationalisation journey.

Some of the facilitation offered will include: -

(a) export readiness assessment (for NEW exporters, EXPANDING exporters and EXPERIENCED exporters).

(b) develop and curate an export business plan uniquely applicable to each individual company (which entails

understanding the keys to export success and risks, setting realistic goals, determine your capital needs and others).

(c) determine and establish the company's product positioning.

(d) market access overview and market insight research.

(e) specially customized frameworks and roadmaps which may include business-matching programme, tradeshows participation and trade missions.

Prior to joining SFMA, Gerald was with the tradeshow business for more than 30 years and his former employer is Informa markets the world's leading and largest specialised trade shows organisers. He served as their International Sales Office ASIA Director managing a team of 18 sales personnel and with the team was responsible for recruiting and bringing Asia Pacific companies to all the tradeshows in the group. Other than the food & hospitality industry, Gerald and his team also covers and handles the food packaging; rubber & plastics; machinery; oil & gas; electric & renewable energy; water & water technology; building, construction & mining et al... industry verticals.

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