

KVL's Export Fitness Checker

(For Practical use at the PDFII Export Finance Forum, Lagos, October, 2018)

This “*Export Fitness Checker*” is a specially customized tool by Koinonia Ventures Limited for exporters from Nigeria. While we do not guarantee that the checker will kit you up for export, it is structured to take you carefully through the major dimensions of your business and help you to revise your preparedness to launch into the international market.

You are advised to prudently think through the questions and honestly provide answers over a percentage (100%). Answering truthfully will enable you return to the drawing board in areas where you are still deficient.

THE COMPANY

On a scale of 1% to 100%, answer the following questions about your company:

1. Rate your company's registration with CAC.
2. Rate your company's registration with NEPC?
(Clue: Are you already registered as an exporter?)
3. How updated are your exporters' registration document?
(Clue: Do you know the requirements for registration as an exporter?)
4. How much access do you have to trading information and regulations like import tariffs and freight forwarding costs, in your target market?

THE MARKET

On a scale of 1% to 100%, answer the following questions about the market you intend to explore:

1. How much do you know about the export potential of your product in international markets?
2. Have you identified a market for your product? If YES, how ready is the market to receive your product? (If NO, please ignore)
3. How feasible is your approach to enter the preferred market?
4. How acceptable is the product in the intended market?

(Clue: Do you know of companies who are already exporting a similar product to the particular international market?)

5. In your product's current form, how well will the preferred market receive it?
6. How much knowledge do you have about the cultural imperatives of your target market?
7. How swiftly will your product/business adapt to the risks involved in your selected target market?

(Clue: Risks are usually associated to political and economic instability and socio-economic conditions)

8. How confident are you about the process of verifying the identity and credentials of a potential trade partner in your target market?

EXPORT PLAN

On a scale of 1% to 100%, answer the following questions about your export plan:

1. How committed is your management's long-term plan to export?
2. How knowledgeable are your current human resources in terms of export skills and knowledge?
3. How effective will promotional materials for foreign markets boost your product?
(Clue: Do your materials include the right message - unique value proposition, tone-of-voice)
4. How standard is your export plan?
(Clue: The following are key areas of a complete export plan: Best market selection and segment, Definition of your unique value proposition (what do you offer, what makes you different from your competitors), Selection of the best distribution channel (distributors, retailers, end user, etc.), Selection of promotional instruments (website, social media presence, brochures, catalogues, trade fairs, etc.), Selection of a competitive pricing mechanism)

EXPORT DOCUMENTS & PROCEDURES

On a scale of 1% to 100%, answer the following questions about your export documents and procedures:

1. How much do you know the procedures and steps involved in exporting from Nigeria?
2. How aware/familiar are you with the various documents required for export?
3. *(Clue: The following are key documents; Exporter registration, Export contract, Quality assurance, Commercial invoice and Packing List, Shipping Documents, Export financial Documents for easy payment, Goods movement, etc)*

LOGISTICS & FREIGHTS

On a scale of 1% to 100%, answer the following questions about logistics and freights of the product to be exported:

1. How confident are you in the delivery of the freight options identified/available?
(Clue: Have you already identified and researched about the freight forwarders, sales agents, importers, etc.?)
2. How would you rate your capacity to meet the responsibility and obligation under the INCOTERMS (International Commercial Terms) 2010?
3. Are there resources to communicate efficiently with a buyer in your target market? How dependable are these resources?

EXPORT PRICING

On a scale of 1% to 100%, answer the following questions about pricing your product in the export market:

1. How would you rate your knowledge about the different pricing methods for exports?
2. How efficient is your pricing strategy and a detailed pricing calculation for the product in the export market?
3. How relevant do you think the total costs of exports will be to your business?

(Clue: Total cost will result from the following items: packaging, warehousing, transportation, levies, forwarding cost, cost of finance, export documentation processes, promotion, visiting the market(s), and potentially other ones.)

EXPORT FINANCING

On a scale of 1% to 100%, answer the following questions about financing your export business:

1. How sufficient are the available financial resources to meet your export business needs?
2. How viable are the other/existing funding options for your business?
(Clue: This includes governmental export incentives, commercial banks, factoring, and more.)
3. How well do you understand the payment options for international transaction?

LEGAL ISSUES

On a scale of 1% to 100%, answer the following questions about legal issues as they relate to your export business:

1. How much do you know about the legal rights and obligations of your export contract?
2. How knowledgeable are you about dispute resolution and arbitration mechanisms in exports?
3. How well is your business' compliant to governmental and legal requirements for exports in Nigeria?
(Clue: This includes product prohibitions and the export proceeds repatriation.)

4. How aware are you about the legal requirements of your product in the importing country?

(Clue: Consider relevant food safety measurements and requirements if applicable, prohibited products, or other legal requirements.)

5. How much do you know about quality management (ISO) requirements for your product as it should comply with the export market?