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Key steps for success in export markets

A new paradigm for strategic decision making

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Abstract *This article focuses on a paradigm of ten key steps for successful decision making in export marketing for the European business firm. These ten steps are: analyze market opportunity; assess product potential; establish market entry mode; make a firm commitment; allocate necessary resources; identify technical issues; develop strategic marketing plan; organize operational team; implement marketing strategy; and evaluate and control operations. Tables of basic what, who, and how questions help to guide the reader through the decision-making process, leading to successful export marketing operations. The article provides a decision-making paradigm that is useful to top-level management personnel as well as export managers. This model has been developed by the authors based upon over 25 years of consulting work with European business firms.*

Introduction

Never before in recorded history have business firms throughout Europe, large and small, been so involved in, and affected by, the international marketplace. As noted by Cateora and Graham (2002, p. 4), a global economic expansion, unprecedented in modern economic history, is occurring as the move toward efficiency, productivity, output, and open unregulated markets sweeps every corner of the world. Powerful economic, technological, social, industrial and political forces are converging to build the foundation of a new global economic order on which the structure of a one-world market system is being built. Whether or not a company wants to participate directly in international business, it cannot escape the effects of the ever-increasing number of firms involved in exporting, importing and manufacturing abroad. Today, it can be said that most business activities are global in scope.

But what about the business firm that just wants to ease into this process of exporting outside of its domestic market, or desires to gradually expand its presence in the global marketplace? A secret for sharing in this evolving global market success is for an organization to be ready for its opportunity when it emerges. Taking hold of the opportunity is often made easier if it is approached

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from a one-step-at-a-time perspective. One step – a beginning, doing something about the opportunity, beginning to see accomplishment – will give assurance that the journey has begun and the achievement of objectives is possible. In foreign markets, success is a journey and not a destination, and comes to those firms that have satisfied an identified need. In its international marketing activities, the business firm must select what is important, what is possible, and move from where it is with a strong market-oriented foundation.

In taking the first step, or making an expanded step, into a foreign market, certain issues must be of concern to the export executive. Just as the runner who clears all the hurdles and successfully completes the race, the European business firm that successfully penetrates the foreign market must, of necessity, clear a certain set of known obstacles; or, stated more precisely, address a set of basic determinants, the responses to which will virtually spell success or failure in the marketplace. The primary purpose here is to focus attention on a new paradigm of key steps for success in strategic decision making relative to export marking.

During the past 25 years, the authors have served as marketing consultants to a large number of European business firms. A major objective has been to assist these firms with their foreign market entry and penetration strategies. Advice has been provided to companies with well-known products and extensive foreign marketing operations. On the other hand, attention has also been given to assisting small and medium-size firms interested in capitalizing on opportunities that they believe exist for them in various international markets. The essence of this array of experiences provides the background for this analysis and the major issues addressed therein.

Key steps for success in exporting

Working with both consumer and industrial product manufacturers, it has been found that those that are most successful in their foreign markets are careful to address ten key points in the development and implementation of their marketing activities. These ten key steps for success in a foreign market provide an orderly framework and paradigm that helps to guide the business executive and exporting firm to:

(1) analyze market opportunity;
(2) assess product potential;
(3) establish market entry mode;
(4) make a firm commitment;
(5) allocate necessary resources;
(6) identify technical issues;
(7) develop strategic marketing plan;
(8) organize operational team;

(9) implement marketing strategy; and
(10) evaluate and control operations.

As noted in Figure 1, these ten keys for success can be viewed as distinct steps in the planning process for a foreign market. However, a more accurate perspective is gained by considering the ten points as interrelated issues that must be carefully reviewed and analyzed by the business executive anticipating a successful entry and penetration of a particular market (Barrett, 1995, p. 97). In reality, the planning process for success in a foreign market focuses on all of these ten key steps in an interactive paradigm. That process requires the executive to continually re-evaluate each of the steps as the planning progresses through the model.

An extensive analysis of each of these ten steps for success is beyond the scope of the present material. However, each will be briefly introduced, and possibly discussions within particular organizational settings will enable a more thorough consideration of those points of major interest. There is, perhaps, one additional issue that should be kept in mind. Although doing business abroad is typically not the most difficult thing a business firm will ever do, neither will it be the easiest. To ensure success, hard work will be required, attention will need to be given to details, and opportunities will need to be seized and acted upon. Too often business executives view the export

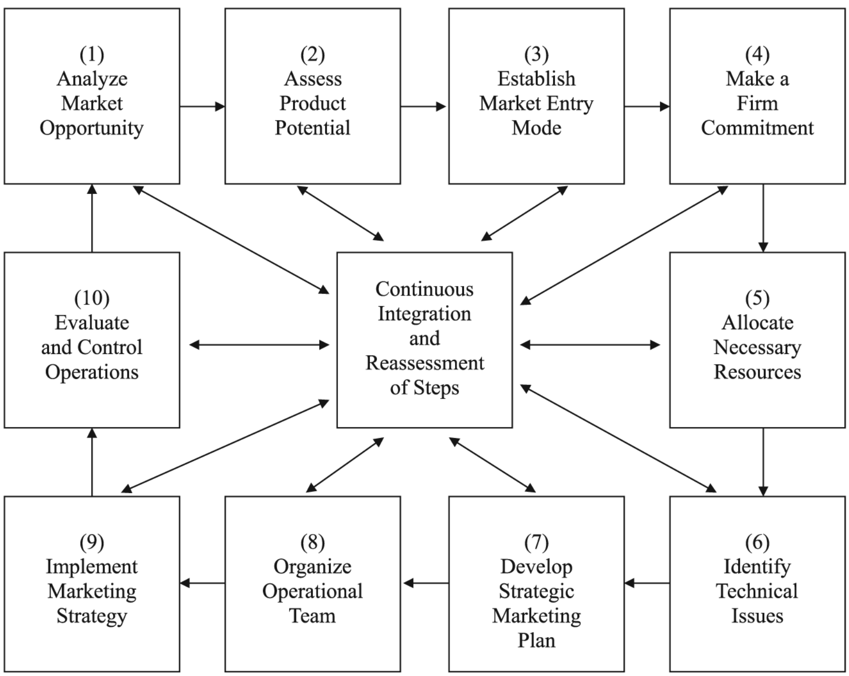

Figure 1.
Planning model of steps for success in export markets

marketing process to be directed at achieving a relatively easy access to additional markets that will be acted upon by the firm with minimal or little effort. That is a sure perspective through which the firm will experience failure or, at best, a minimal level of success in the prospective market. Success in export markets requires discipline and strategic planning; but then, discipline is the price that must be paid for a successful market entry – domestic or foreign.

Analyze market opportunity

For business firms that decide to pursue foreign marketing strategies, the first major step is to identify suitable markets. Many firms use government agencies, and other business-related organizations, for market information – such as foreign trade associations and chambers of commerce. Finpro (formerly the Finnish Foreign Trade Association), for example, maintains offices in major cities in the USA, including New York, Chicago, Atlanta, Houston and Los Angeles. The government in the foreign market may also provide valuable trade information. The US Department of Commerce, for example, has a trade database available, and this database has research reports on 117 industries in 228 countries (Barrett, 1995, p. 98).

The macro elements of a foreign market will typically lend themselves to a very precise analysis from the perspective of a particular firm. That is, such items as population, climate, trade statistics, political structure and stability, economic climate, production and consumption technology, and relative level of government control of the marketplace all serve to reflect the general opportunity for a business firm. However, perhaps one major point of caution is in order here. Many exporters make the mistake of viewing a particular foreign market as a relatively homogeneous economic, social and geographic entity. That perspective may not be accurate. For example, Hamburg, the wealthiest area in Europe, has gross domestic product (GDP) per capita about 80 percent higher than the EU average, obviously having implications for purchasing power and spending patterns.

Many countries are made up of a broad spectrum of sub-geographical markets, with somewhat unique social, political and economic dimensions. The Kellogg Company, for example, found that urban consumers in India provided an excellent opportunity for the marketing of cold breakfast cereals, but rural consumers' eating habits were so different that they could not be convinced to accept the product (Khan and Alam, 1994, p. 60). Foreign markets can often be viewed in the same way that foreign exporters of products view the US market – as a vast array of somewhat heterogeneous geographical markets.

Table I identifies an array of several questions that should be considered by the European business executive in analyzing a foreign market. Given a relatively positive general environment, the issues noted in Table I focus primarily on a thorough consideration of the competitive situation. A careful

Table I.
Analyze market opportunity

1.	What are the present and future domestic and foreign market situations and trends for the industry?
2.	What are the geographic, economic and social foreign market segments of major importance?
3.	Are there any major domestic or foreign government restrictions or regulations regarding the firm's product(s)?
4.	What are the projected market sales and profit potentials?
5.	What competitive products are sold in the foreign market, and what are the names of the firms that produce those products?
6.	What are the market shares of major competitive products?
7.	How do competitive products compare with the firm's in foreign market reputation, product features, and other attributes?
8.	What types of distribution intermediaries are used by competitors, and what are the major price accumulations and margins typically used by competitors?
9.	How do prices of competitive products compare with the price(s) of the firm's product(s)?
10.	What types of advertising and promotion are used by competitors, and how successful are they?

analysis of the present competitive situation in a firm's potential foreign market will provide a great deal of support to the development of a successful marketing strategy by the business executive (Cateora and Ghauri, 2000, p. 247). Searching out answers to the questions noted in Table I will assist with this analysis. It has been said that information is power in the marketplace, and there is no better set of information with which the executive can be supplied than that regarding the competitive situation and its corresponding opportunities. Competitive audits are therefore extremely important (Terpstra and Sarathy, 2000, p. 330).

Assess product potential

The objective of this analysis step is to identify the unique differential advantage of a firm's product in light of the opportunity in the foreign market (Kotler, 2003, p. 315). This is done by analyzing the strengths and weaknesses of the firm's product in comparison to competitive products available to present or potential customers. The various questions that should be considered by the business executive in assessing a firm's product potential in the foreign market are presented in Table II. For this key step to success, the firm is making a decided effort to analyze the foreign market typically from a position of strength in its domestic market. In this analysis, the executive must therefore focus on just what the firm's product does and what needs it will satisfy in the foreign market in comparison to its domestic market.

The answers to these questions are undoubtedly known as they relate to the firm's domestic market, but may differ with regard to the prospective foreign market. By considering the questions noted in Table II for the export market in question, the executive can help avoid the problems that come from making assumptions about a product based on its existing market popularity. The

1. What product(s) from the firm's product line is (are) best suited for the foreign market? For visibility purposes, should the firm enter the market with only one product or an entire product line?
2. Is the firm's product competitive with similar products sold in the domestic market?
3. How new is the firm's product to the foreign market, and what types of competition are likely to be encountered from other products?
4. What are the competitive strengths and weaknesses of the firm's product in the domestic market and in the foreign market?
5. What needs does the product serve in the domestic market, and how do these same needs differ in the foreign market?
6. Will higher production volumes or larger manufacturing runs have positive effects on unit costs?
7. What are the effects of price fluctuations and availability of raw material needs, and the implications of these for the foreign market?
8. Does the product have the same use conditions in the foreign market as domestically?
9. Does the product have to be adapted to the foreign market in any of its physical, package and service attributes? Are there any concerns related to company/product image adaptation?
10. Is the quality of the product(s) manufactured for the domestic market appropriate for the foreign market?

Table II. Assess product potential

firm's product may be widely accepted domestically, but that is no guarantee that it will be successful in a foreign market. For one thing, there may be no perceived need for the product; for another, there may be a need for modifications in the product that the firm should address. For example, H.J. Heinz has sold its low calorie frozen dinners as healthy foods in Europe, particularly in England due to the dislike of the British in diet foods. On the other hand, the same products have been sold in the USA, where dieting is quite acceptable, as purely low-calorie diet frozen dinners (Lublin, 1990, p. 1). However, the firm's product will need only minor modifications for the foreign market, such as the replacement of a 220-volt electric motor with a 110-volt motor, or a redrawing of specifications to meet the English (American) versus the metric standards (Terpstra and Sarathy, 2000, pp. 298-9). However, the time to assess such requirements is at the beginning, before the firm becomes too deeply involved in, and perhaps prematurely committed to, the foreign market. For some export markets, the costs associated with necessary product adaptation may require unacceptable costs of adjustment.

Establish market entry mode

Major questions that should be addressed by the business firm regarding the mode of entry into a foreign market are noted in Table III. A careful analysis of these questions will enable the business executive to make a more thorough determination of the entry mode that will be most suitable for the firm (Cateora and Graham, 2002, pp. 331-9). There are, of course numerous alternative possibilities. The secret is to select that alternative that is most appropriate for the firm within a particular foreign market setting.

Table III.
Establish market entry mode

1.	What alternative entry modes are available for the product in the foreign market?
2.	What alternative entry modes are used by importers of major competitive products?
3.	What special trade agreements and/or preferential treatments exist for competitors?
4.	Are there any major potential reputable partners available in the target foreign market?
5.	How much control does the firm wish to maintain over the marketing of the product in the foreign market?
6.	What types of pre- and post-sale services will the intermediary need to provide with the product?
7.	What are the major problems that relate to distance and communication with the foreign market?
8.	What logistical elements are important for the foreign market?
9.	What are the legal issues that must be considered in dealing with the intermediary?
10.	What are the various issues that need to be included in the working agreement with the intermediary?

From a general perspective, the European exporter can plan an entry into a foreign market in one of two basic ways. First, it can export its products to the market from a domestic production base or another geographical region. Second, it can transfer its resources in technology, capital, human resource skills and enterprise to the foreign market where they may be sold directly to users or combined with local resources to manufacture products for sale in the foreign market and perhaps other national markets. From a management and operations perspective, these two forms of entry break down into several distinctive entry modes, each offering different benefits and costs to the firm. These more distinctive modes include export entry modes, contractual entry modes and investment entry modes (Root, 1982, pp. 6-7).

Export entry modes may be direct or indirect. The direct method involves choosing an agent or a distributor, or establishing a branch or subsidiary to represent the firm in the market-place. The indirect method consists of making an arrangement whereby the firm delegates varying degrees of foreign sales and/or distribution responsibility to a third party. This third party may be an independent buyer for export to the foreign market or an export management company (Cateora and Graham, 2002, p. 331).

Contractual entry modes involve different alternatives including licensing, franchising, technical agreements, construction or turnkey contracts, contract manufacture, and co-production agreements. Investment entry modes include the acquisition of an existing or the establishment of a new solely owned venture, or the acquisition or establishment of a joint venture in the foreign market. Each of these entry modes has its advantages and disadvantages; each will provide the manufacturer with different degrees of control and different cost factors. The only way the executive can decide which entry method is right is to evaluate each alternative carefully. The questions noted in Table III focus primarily on issues that should be considered in analyzing the alternative export entry modes noted above, the forms of entry most often used by business firms considering initial entry into a foreign market.

Unfortunately, the availability of capital may limit the alternatives available to the prospective exporter, sometimes to the detriment of the firm's prospects. Educational Tools, a relatively small firm that produces an innovative drafting compass, realized that a large potential market existed in Japan. Lacking even the resources to expand its domestic production, it licensed the product to Japanese producers. Not only did this provide little revenue, but also Japanese competitors copied the product and the firm lacked the knowledge and resources to take appropriate action to protect its interests (Hackett and Kraft, 1980, pp. 469-70). This is not an unusual condition for firms wishing to export products to Asian and Latin American markets.

Make a firm commitment

Many European business firms presently occupy positions in a foreign market because the managements of these organizations made a sincere commitment to this objective. In doing so, the firms were careful to address the issues noted in Table IV and thereby establish their commitment to an entry and penetration of the foreign market. In many respects, these firms had no other choice but to look to foreign markets in order to enhance their growth and development, and business organizations. Lacking an acceptable growth opportunity in the domestic market, in some cases they had to learn how to export in order to gain certain economies of production and technological scale. Perhaps an important point worth noting here is that it is not the size of the local domestic market that often sets the stage for successful exporting, nor is it the size and complexity of the firm, it is the level of commitment that is made by top management (Walvoord, 1981, pp. 13-14). This commitment may also be more emotional than rational. For example, the managing director may like

1. What are the reasons for the interest in the foreign market? Are these reasons based on a logical analysis of the market opportunity or on an emotional consideration?
2. What are the company's major strengths and weaknesses with regard to the foreign market?
3. Is the company able to maintain continuing support of a foreign market entry and penetration?
4. What will be the relative importance of the foreign market in comparison to other markets?
5. How will the company measure success in the foreign market at various critical operational and time points?
6. Is the company basing its commitment on unsolicited orders or a precise market analysis and consideration?
7. Has the senior management team developed a formal operational policy for doing business in the foreign market?
8. What will be the initial financial expectations for the foreign market?
9. Has the company guarded against isolation of the foreign market personnel within the organization?
10. What management information systems have been established for the foreign operations?

Table IV. Make a firm commitment

sailing, thus prompting an export business venture into one of the Mediterranean countries.

Top management must view the foreign market as an important opportunity that warrants continued effort and careful management, not as an overflow market that merely absorbs excess production not needed for existing local markets. Firms utilizing this "safety valve" approach to export markets are usually unable to build the necessary relationships with foreign marketing channel members and customers. This is true even for major corporations such as General Motors. Analysts have attributed GM's failure to penetrate the Japanese market as much to its failure to commit resources to building support relationships in that country as to Japanese trade restrictions (Updike, 1995, p. 43).

Every business activity requires an initial commitment. A commitment is made each time a company decides to put a new product on the market, or open a new branch office or warehouse. In making such commitments, the management and other personnel of the company signify a willingness to work hard and to accept reasonable risk in return for the promise of increased sales and higher profits. Doing business in a foreign market is no different; but, then again, it is often more challenging and more difficult (Brown, 1990, pp. 11-12).

Of course, this commitment must be carefully weighed in the light of other present or potential alternatives for growth of the firm, and the financial and other resources that are available for such. Many of the questions noted in Table IV are interrelated with issues identified in other tables of this material. In taking the time and effort to analyze carefully its commitment to the export market, management reflects a systematic approach to the future growth and development of the firm. Making a firm commitment focuses on a strengths, weaknesses, oppositions, threats (SWOT) analysis of a company's strengths and weaknesses, along with market opportunities and threats, developing formal policies to guide export operations, and carefully considering the resource needs.

Allocate necessary resources

The objective of this step for success in the foreign market is to identify those resources of the firm that can be committed to this marketing effort. The questions noted in Table V will help the business executive analyze and consider the resource strengths and weaknesses in light of expected operational performance requirements in the foreign market. For example, if the firm experiences regular production peaks and troughs each year, marketing products abroad might be just the activity needed to level out these fluctuations.

It is also important here to carefully analyze the initial capital requirements of entering or further penetrating a foreign market, and the payback timeframe

1.	Has precise management responsibility been assigned for the foreign market?
2.	How much top management time and resources should be allocated and can be allocated to the foreign market?
3.	What are management's expectations for the resources expended? Are these resources available internally or must they be acquired externally?
4.	What organizational structure is needed to adequately develop and serve the foreign market?
5.	Can the company continue to service the domestic market and other existing markets adequately?
6.	What amount of financial capital can be tied up in inventory for the foreign market?
7.	What level of foreign market operating costs can be supported?
8.	How are initial expenses for the foreign market to be allocated?
9.	What priority does the foreign market development have in comparison to other opportunities?
10.	How long can the company plan to wait before the foreign market effort must support its own fully-allocated costs?

Table V. Allocate necessary resources

that is needed (Cateora and Ghauri, 2000, pp. 444-5). Entrepreneurs must be acutely aware of the need to plan for a reasonable payback horizon (Kuratko and Hodgetts, 1995, pp. 223-4). Many successful business firms take advantage of the resources available from sources external to the firm, such as the information services of major domestic banks involved in the international arena. This analysis of available resources should include consideration as to how the firm can strategically take advantage of resources that are not a direct cost to the organization.

The analysis in this step to success is obviously broad in scope. It has everything to do with a thorough consideration of how resources can be allocated and deployed to optimize the growth and development of the firm's foreign market efforts. It is extremely important that management make a definite decision regarding the resources that are to be committed to the foreign market, and the payback that is expected from the investment of these resources (Brown, 1990, pp. 12-13).

Identify technical issues

English is generally now recognized as the primary international language of business. However, complete reliance on this generalization may place the business firm at a distinct disadvantage in non-English speaking markets. Doing business in a foreign market may require a high degree of exactness, particularly when it comes to the use of a foreign language. The words and phrases used usually have precise legal meanings. If they are used correctly, the business executive will be protected. If they are used incorrectly, possibilities exist for confusion and inefficiency. Table VI reflects some, but certainly not all, of the business terms and other technical issues with which the European export manager will want to become familiar in developing a foreign market strategy (Czinkota and Ronkainen, 1998, pp. 312-14). Unlike

Table VI.
Identify technical issues

1. Principal documents typically used in exporting:
   (a) Required by customer: pro forma invoice, acceptance of purchase order, ocean (airway) bill of lading, certificate of insurance, packing list
   (b) Required by seller: purchase order, letter of credit or other form of payment
   (c) Required by freight forwarder: shipper's letter of instructions, domestic (inland) bill of lading, packing list, commercial invoice, letter of credit
   (d) Required by domestic government: export declaration, export license (for selected products)
   (e) Required by foreign government: certificate of origin, customs invoice, consular invoice
   (f) Required by exporter's bank: exporter's draft, commercial invoice, consular invoice, certificate of insurance, ocean (airway) bill of lading

2. Basic methods of receiving payment for products:
   (a) Cash in advance
   (b) Irrevocable letter of credit
   (c) Documentary collection draft
   (d) Open account
   (e) Extended terms

3. Legal procedures and requirements for exporting:
   (a) Clearance and duty notations on products: clearance of goods, dutiable status, liability for duties, temporary free importation, importations by mail, containers or holders
   (b) Entry of products permission: evidence of right to make entry, entry by importer, entries made by others
   (c) Duty assessment procedures: valuation and appraisal, classification – liquidation procedure, conversion of currency
   (d) Invoice requirements and procedures: packing of goods – commingling, invoices for customs purposes, pro forma invoice
   (e) Marking requirements for products: country of origin, other special marking
   (f) Refund and allowance requirements: refunds and drawback, excess goods and shortages, damage or deterioration, tare and draft
   (g) Special laws and regulations: prohibited and restricted importations, import quotas, general product labeling, product safety and liability, hazardous substances, and flammable fabrics, food, drugs, and cosmetics, trademarks, trade names, and copyrights, alcoholic beverages, civil and criminal fraud laws
   (h) Free-trade zones to be used

previous tables presented in this material, Table VI also identifies principal documents used in exporting to a foreign market, basic methods of receiving payment for products shipped to the market, and legal procedures and requirements for exporting abroad, rather than major questions for consideration as in previous tables.

The purpose here is not to make an attorney of the business executive, although the securing of appropriate legal advice is strongly advised as an important element of successful export marketing. This is so because words and phrases in various languages tend to have precise meanings, agreed upon in advance by all parties in a negotiation. These words and phrases convey a meaningful history of precedence that is thereby applicable. This is just as it should be. The fact that the export executive may be using a second, or even third or fourth, language in the negotiations makes agreed-upon meanings imperative (Terpstra and Sarathy, 2000, pp. 95-8).

Develop strategic marketing plan

This is the key step that brings all of the previous analyses and considerations together into a unified whole. Table VII provides a suggested table of contents for a firm's strategic foreign marketing plan. In this important step for success, the export executive mixes all the opinions, facts and goals together and then puts them into one workable, systematic plan of action (Kotler, 2003, pp. 90-91). This plan includes specific objectives, time schedules for implementation, and established points for evaluation and control activities. Evaluation and control enables the firm to measure its progress and helps management to motivate operational personnel by giving the measurable goals toward which to work. The means for measuring success are also important.

By the time the export executive completes this strategic plan, many critical questions should have been answered such as:

1. Executive summary: overview of plans for the foreign market
2. Introduction: why company should do business in the foreign market
3. Part I: a statement of foreign market commitment
4. Part II: the background/situation analysis
   (a) Overview of market opportunity
   (b) Primary target market segments
   (c) Analysis of competitive situation
   (d) Assessment of product potential
   (e) Identified market entry mode
   (f) Operational strengths and weaknesses
   (g) Resources of firm to be allocated
   (h) Organizational structure for market
5. Part III: strategic foreign marketing plan
   (a) Identified marketing goals
   (b) Product analysis and selection
   (c) Warranties and other product services
   (d) Pricing and other terms of sale
   (e) Distribution intermediaries to be used
   (f) Shipping and other transportation means
   (g) Warehousing and other logistical means
   (h) Market information system needed
   (i) Methods of advertising and promotion
6. Part IV: operational budget and pro forma financial statements
7. Part V: implementation schedule and timetable
8. Part VI: procedures for evaluation and control, including periodic operational/management audits

Table VII. Develop strategic marketing plan

- Does the firm really want to enter the foreign market – and why?
- What target market segments will be of major importance?
- What marketing strategies will the firm use to exploit these target markets?
- Who is the primary competition, and how do these firms successfully market their products in the foreign market in question?
- What specific operational steps must the firm take to be successful?
- When must these steps be taken? What resources will the firm need to commit to each element in the marketing plan?

A good strategic marketing plan will answer these, as well as many other questions of major importance to the business firm. While the value of a sound strategic plan is intuitively obvious, it has also been demonstrated empirically. A highly technical study has demonstrated statistically that thorough export plans, and organizational structures appropriate for executing those plans, are crucial factors in achieving success in exporting from home bases in Europe (Bijmolt and Zwart, 1994, pp. 69-70).

Table VII suggests quite a list of points that should be considered, but the individual business firm should include whatever elements are of primary importance to its export marketing efforts. The only way a particular manager can deal meaningfully with this planning process is to retrace the key steps noted earlier in this decision-making paradigm, perhaps revising and refining during the process. The appropriate marketing mix – product, price and other terms of sale, distribution and promotion – is extremely important (Szymanski *et al.*, 1993, pp. 4-6). Table VII is only a guide, based on the most typical factors involved in successful foreign marketing strategies of European business firms. Each individual company and its management needs to develop and adapt an outline that is uniquely its own. Even so, the importance of the review process remains the same.

Organize operational team

The organizational teamwork needed by the exporting firm tends to be much more complex in the foreign market arena than in the domestic marketplace, simply because there are typically more individuals, both inside and outside the firm, involved in placing the firm's products in the hands of customers (Johnson *et al.*, 1993, p. 4). Therefore, this is an important step to success and can be an exciting and challenging experience for management. In fact, approached in a sound manner this step can also offer valuable insights into adjustments that should be made in a firm's domestic marketing organization as well.

The teamwork required for success in a foreign market tends to be complex for a number of reasons. First, the individuals involved include virtually the entire company from the production, finance and marketing staffs, to the shipping and traffic personnel. Doing business in a foreign market will typically require a number of distinct operational activities, and management must make sure that appropriate responsibility has been assigned. Second, are the organizations outside of the firm, such as the freight forwarding company that works with the firm's traffic personnel. Such companies handle the shipping, packing for export, and (if the shipper wishes) even a great deal of the documentation required, as noted in Table VI. Third, are support organizations, such as the international banker whose expertise can aid the firm in its analysis of foreign market opportunities and other issues noted in this material, as well as in financial concerns including capital financing and collecting receivables from foreign customers.

Since the firm's banker can play such an important role in this regard, the business executive will want to take care to select a bank with adequate foreign market capabilities and correspondent bank relationships. In addition, there are a number of other resources available to the exporting firm, including government, trade consulates, embassies, trade associations, private management consultants, and export management companies. Each of these has distinct benefits and can save the individual exporting firm both time and money.

Implement marketing strategy

At some point in the firm's planning process for the foreign market, a decision must be made to venture out and implement the marketing strategy. There is usually a degree of discomfort at this point because the firm in question seldom has all of the information that management considers necessary (Brown, 1990, p. 12). However, the firm has analyzed the market opportunity, assessed its product potential, decided on a market entry mode, made a firm commitment, allocated the necessary resources, identified important technical issues, developed a strategic marketing plan, and organized its operational team. Now the foreign marketing team, armed with a strong commitment by top management, must promote, sell and deliver the firm's product to the target market. An important consideration here also includes a commitment not to isolate those members of the team assigned to invest large amounts of time in the foreign market.

If the decision-making paradigm has been approached correctly, and each of the steps for success considered and analyzed carefully, the firm should be prepared and ready for a successful entry into, and penetration of, the foreign market. However, should problems occur – and they no doubt will – the firm, and its operational team, should have established the foundation and have the necessary resources to deal with them effectively and efficiently.

One of the evolving payoffs that will inevitably occur as the business firm becomes actively involved in a foreign market is reflected in the marketing learning curve. The firm will learn more efficient procedures for analyzing markets, more effective techniques for dealing with marketing channel intermediaries, and better ways of organizing its marketing operations team.

Such an evolving sophistication will assist the firm in achieving an optimum level of growth and development. A firm's competitors, both domestic and foreign, are also continually looking for every advantage possible in order to obtain a better relative market position.

Evaluate and control operations

In many respects, this final key step is really a postscript to the preceding nine. However, it is such an important element for success that it deserves full attention in the overall process. The evaluation and control of operations means just that. No matter how thoroughly the firm has prepared, or how successful it has been in entering and penetrating a foreign market, a review will be needed to make sure that optimum results are being achieved (Cateora and Graham, 2002, pp. 532-3). The foreign market, like the local domestic market, is changing constantly, and the exporting business firm must be prepared to change with it.

For example, management may find that by modifying the firm's product, the existing foreign market can be expanded; or that a new set of economic and social conditions permits the firm to introduce its product to a new target market segment. The only way the firm can take advantage of such changes is to remain in control of the marketing situation, and the only way that this can be done is to evaluate and control on a regular basis. This tenth step never ends. The day that management of the exporting firm decides to skip this regular review is the day it should start considering whether it really wants to stay in the foreign market in question.

In reality, therefore, this final key step for success in an export market is more than only a postscript – it also represents a future step and completion of the full complement of success elements (see Figure 1). It is the basis for continued success in the foreign market. No matter how large or how small the company is, no matter how great are the results that are being shown from the foreign market efforts, management must look back from the ongoing operations from time to time and carefully analyze what has been achieved and how it has been accomplished.

Summary and conclusions

The experiences encountered by numerous European business firms – small, medium and large – in their export marketing efforts have indicated that there are certain established dimensional components that are found in their formulas for success. The primary purpose of this analysis has been to briefly focus attention on these key steps for success in a foreign market. As such, consideration has been given to the importance of analyzing the market opportunity, assessing product potential, establishing the market entry mode, making a firm commitment, allocating the necessary resources, identifying technical issues, developing a strategic marketing plan, organizing the operational team, implementing the marketing strategy, and evaluating and controlling operations.

The manner in which a European business firm addresses these key steps and uses them for success, and thereby implements the planning process for its entry and penetration of a foreign market, will obviously be highly individualistic in nature. It is also important to keep in mind the interrelationship of the ten steps. However, each of these steps in the planning paradigm does represent a distinct issue that the business executive should confront in order to achieve an optimum impact by the firm on a foreign market.

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