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### Overview

There are many things that are different about trading abroad than trading locally or in the UK. It is important to monitor and adjust overseas activity and make sure it has a positive effect on your business.

You might do this if you need to:

1. widen your spread of suppliers
2. find new customers for your products or services
3. open a new business or social enterprise elsewhere

If you want to import or export your products or services, you will need to:

1. use the most efficient and effective communication and transport methods
2. meet the legal requirements of all the countries concerned
3. get the right payment terms and conditions
4. monitor risks and situations in the countries you trade with
5. check the ongoing effects on the business

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## Import or export products or services

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### Performance criteria

*You must be able to:*

- P1 make sure you are reaching your customers or suppliers in the most efficient and effective way
- P2 make sure transport and storage activity meets your requirements
- P3 make sure you are clear what import or export paperwork you and your customers or suppliers are responsible for and that you are correctly completing your part
- P4 obey any import or export laws and regulations that apply to you in this country or abroad and keep up-to-date with legislation changes
- P5 make sure you understand exactly what the payment terms and conditions are and make sure they meet the needs of your business
- P6 check that the information and administration methods you are using are right for your business
- P7 make sure that all people involved are informed about responsibilities, progress and changes and know and understand what they are expected to do
- P8 regularly monitor the risks and the situation in the countries you are trading with and take action to minimise risks and deal with changing circumstances
- P9 identify any new opportunities that emerge and review your export plans as necessary
- P10 regularly monitor the progress of your overseas activity to make sure targets are met and overseas trading benefits your business

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### Knowledge and understanding

*You need to know and understand:*

#### **International trade**

- K1 ways to reach your customers or suppliers (for example trade fairs, advertising, direct mail, press releases, the internet, trade missions)
- K2 the characteristics of different transport arrangements and which best suit your needs including
  - K2.1 characteristics of established channels (for example cost, speed, reliability, frequency, size of loads)
  - K2.2 administrative requirements (for example documentation, packaging, labelling, staff time)
  - K2.3 the benefits of using a third party (for example a freight forwarder)
  - K2.4 the impact on after sales (for example technical support, customer service)
  - K2.5 the impact on warehousing and storage requirements (for example for products or spare parts)
- K3 what export or import paperwork is needed and what laws you must comply with (for example import licence, export licence, transport documentation, valuation statement, certificate of origin)
- K4 how to decide the terms and conditions that are acceptable to you and your customers or suppliers and how they will affect your business including:
  - K4.1 payment terms (for example payment upfront, staged payments, credit)
  - K4.2 delivery arrangements (for example who pays shipping costs and duties)
  - K4.3 currency (for example what currency payment will be in, whether the exchange rate is fixed)
  - K4.4 insurance
  - K4.5 after-sales agreements
- K5 what standard trade terms (Incoterms) laying out buyer and seller responsibilities for transport, insurance, duties and clearance apply to the country you are trading with and the transport method you are using.
- K6 the effect on relationships between payment up front or afterwards and how this may differ in different countries
- K7 how your use of language, tone of voice and body language can be adapted to minimise misunderstanding through cultural differences
- K8 why it is important to find out the protocols and processes for the countries you are dealing with and not to assume they will be the same as in the UK
- K9 how to take account of unfamiliar cultural practices, expectations and business processes when dealing with overseas companies or customers

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- K10 the costs and benefits of effective information and administration methods.(for example for communication, monitoring and recording export activities, overseas customer contacts, handling paperwork, making sure existing customers are still looked after)
- K11 how to make the most of unplanned opportunities as well as planned ones
- K12 what to monitor in order to be able to pre-empt situations including:
  - K12.1 political unrest (for example war, changes in government);
  - K12.2 changes in industry (for example opening up previously closed industries, privatising public utilities)
- K13 how to guarantee a suitable return on your investment (for example through matching your prices to the market and by working out your profits in pounds)
- K14 how you will work out whether exporting has been successful for your business and how to spot new opportunities (for example new markets in other countries, new products or services, increasing sales and distribution)

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### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. BS1 Identify needs and suppliers
3. BS2 Monitor the quality and use of supplies and equipment
4. OP4 Sub-contract work
5. WB5 Sell your products or services
6. WB6 Explore markets abroad
7. WB7 Sell your products or services on the Internet

#### Links to other standards

It may be appropriate to consider the following units from the Standards for Working

8. Effectively with People from other Countries or Cultures which are being developed by CILT.
9. Delivering a product or service to people from countries or cultures other
10. than your own
11. Developing and maintaining relationships with organisations from a range of
12. national or international cultures
13. You may also want to look at the Standards for International Trade and Logistics
14. Operations developed by Skills for Logistics which cover the transportation of goods.

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<b>Developed by</b>	CFA Business Skills @ Work
<b>Version number</b>	1
<b>Date approved</b>	May 2008
<b>Indicative review date</b>	May 2010
<b>Validity</b>	Current
<b>Status</b>	Original
<b>Originating organisation</b>	Sfedi
<b>Original URN</b>	WB13
<b>Relevant occupations</b>	Business, Administration and Law; Managers and Senior Officials
<b>Suite</b>	Business Enterprise
<b>Key words</b>	success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, home, health and safety, VAT, equipment, costs, profit, staff, product