

What you need to know about exporting

If you want to make your brand a global household name, you'll need to export. But first you'll need to be clear what exporting is, and be sure you're ready for it.

Exporting means making your goods or services in one country and selling them in another. Most people would realise that making shoes in New Zealand and selling them overseas is exporting. But you can export in less obvious ways too. Maybe you're already exporting.

What exporting is and isn't

If you have a client overseas, you're an exporter, even if you don't sell physical things.

Exporting includes:

- Teaching English on Zoom to someone in South America.
- Designing a house for someone in the United States.
- Translating a document and emailing your translation to someone in Asia.
- Offering virtual tours of New Zealand's beautiful countryside to people anywhere in the world.
- Taking a few bottles of wine in your luggage to deliver to a client in Europe.

Exporting for business involves goods or services going overseas, a client, and money changing hands. Just because something goes overseas doesn't make it an export. If you send chocolate fish to your homesick Kiwi friend in London, that's not exporting. If you take samples of industrial pipe to a trade show, that's not exporting.

Advantages and challenges of exporting

Exporting can grow your business and make it more competitive. Benefits include:

- More sales to new customers and markets overseas.
- Lower cost per unit as you increase production (economies of scale).
- Spreading your risks. When things aren't going so well at home, they might be better in another country.
- Learning about new ideas, technology and ways of working. That might make you more competitive, both at home and overseas.

But exporting brings challenges too, such as:

- Paying new costs, eg for customs, transport and compliance.
- Dealing with complex regulations and compliance requirements.
- Managing legal risks that arise when you operate in another country.
- Managing political risk, especially if your market is politically unstable.
- Protecting yourself if there's a war, or restrictions on foreign exchange.

Getting expert advice and planning well can help manage challenges and risks, eg having good export and risk management plans.

Check if you're ready to export

Successful exporting takes resources and commitment. You'll need:

- a good business set-up, with tried and tested business practices
- to deliver goods or services as efficiently as possible
- a good grasp of your local market and knowledge of the marketing strategies that work best.

[Improving operational efficiency and innovation \(/business-performance/operations-strategy/operational-efficiency-and-innovation/\)](/business-performance/operations-strategy/operational-efficiency-and-innovation/)

[Marketing strategy overview \(/business-performance/marketing-strategy/marketing-strategy-overview/\)](/business-performance/marketing-strategy/marketing-strategy-overview/)

Check if you're ready to export by adding to your business plan. A plan will help you identify where you are, where you're going and how you'll get there.

[How to write a business plan \(/getting-started/business-planning-tools-and-tips/how-to-write-a-business-plan/\)](/getting-started/business-planning-tools-and-tips/how-to-write-a-business-plan/)

[Create a good export plan \(/how-to-grow/exporting/create-a-good-export-plan/\)](/how-to-grow/exporting/create-a-good-export-plan/)

Self-assessment: Getting ready to export

Exporting is exciting but challenging. It takes time, money, and commitment — maybe more than you're ready for. Use this assessment to check if doing business overseas is for you. We'll tell you whether:

- you need more preparation, eg reading, research and advice from experts
- you're ready to contact New Zealand Trade and Enterprise to talk about how they can help.

5-10 minutes

Self-assessment: Getting ready to export

□

Get started

□



Readiness for exporting

Did you know...

Actively engaging employees in the company vision can have a large impact on financial performance, according to Deloitte NZ.

Next

Everyone in my business knows how exporting will help our long-term success.

- No, we haven't discussed exporting yet. I've mentioned the idea but only in passing. We've talked about it but not everyone's convinced. Almost – most people are on board with the idea now Absolutely – everyone's fully committed to exporting

Submit

Readiness for exporting

Did you know...

"Exporting is always harder and more expensive than you think it's going to be, but the rewards are definitely worth it." — Sarah Sherriff, Fix & Fogg's CFO and head of export

Next

I know what's involved in exporting successfully, including resources, paperwork, skills and costs.

- No, I haven't thought about it in detail yet. I know I need to find out more. I have a broad idea but I might be missing something. I'm pretty sure I know most of what's involved. Absolutely — I'm 100% sure I understand what's involved.

Submit

Market research

Did you know...

Neil Ratcliff, sales and marketing general manager of Zivi Pets' says:

"Choose 1 or 2 markets first, really focus on them and put your energies behind developing those."

Next

I've researched thoroughly to find the best export market for my business.

- I haven't started researching yet. I've started, but I'm not sure exactly what to research. I'm considering all the options from my research. I've narrowed it down to a handful of possible markets. I've identified the best overseas market for what we sell.

Submit

Market research

Did you know...

To succeed in an export market, it's important to analyse competitors to discover how to keep up with the crowd, according to New Zealand Trade and Enterprise.

Next

I've identified our advantage over competitors in our export market.

- I haven't thought about competition yet. I've just started researching competitors. I know who our competitors are but not how we differ. I know who our competitors are and the main ways we differ. I've fully researched our competitors and identified our competitive advantage.

Submit

Customer research

Did you know...

Great organisations use customer insights to make sure they're spending money only on things that matter to their customers, according to Baxter McConnell, KPMG.

Next

I know who our export customers are and what they want.

- No, I'm not yet sure who will want what we sell. I have a broad idea of who our customers might be. I've started researching our potential customers. I have good info on likely customers and what drives them. I've fully analysed our customers and why they'll buy what we sell.

Submit

Customer research

Did you know...

Buyer personas keep you focused on customer priorities instead of your own. They help you build a bond with the real customers they represent — boosting sales and brand loyalty, according to Hootsuite.

Next

I've created personas to help me keep my target customers in mind.

- No, I'm not sure what a 'persona' is. I know about personas but haven't created any yet. I've developed a broad idea of my main types of customers. I've started creating personas and am keen to finalise them I have clearly defined personas to drive my marketing.

Submit

Supply chain and logistics

Did you know...

It's a mistake to pick a distribution channel because it's familiar. Understanding all the options means you won't be limited by a lack of knowledge, according to New Zealand Trade and Enterprise.

Next

I know the most cost-effective way to deliver what I sell to my overseas customers.

- No, I haven't thought about logistics yet. I have a broad idea of the different options. I'm currently considering all the possible options. I have a good idea of which option would work best for us. Yes, I've chosen the best shipping and distribution option for my business.

Submit

Supply chain and logistics

Did you know...

“The right export partner will help you get established overseas faster, with greater access to connections and capital.” — New Zealand Trade and Enterprise

Next

I've considered making exporting easier by partnering with others, such as an agent or a distributor.

No, it hadn't occurred to me until now. I wouldn't know where to find such a partner. I've thought about it and think it seems sensible. I've considered it and know how it would benefit my business. Absolutely – I know that the right partner can be crucial to success.

Submit

Pricing, marketing and sales

Did you know...

It's tempting to secure your first sale or project by cutting costs. But to be profitable in that market long term, you need to know your costs and margins when negotiating contracts — according to Chris Chapman, New Zealand Export Credit.

Next

I know how I'll price what I sell for export.

No, I haven't looked into it yet. I've thought about it but I'm not sure where to start. I have a broad idea. I've done my sums, but I need a sense check. Absolutely – I'm confident I've got the prices right

Submit

Pricing, marketing and sales

Did you know...

Justine Muollo from Justine's Cookies suggests:

“have a good marketing plan in place. We learned quickly that we needed a very detailed marketing plan.”

Show my results

I have a clear marketing plan to reach export customers.

No, I haven't yet thought about marketing. I've thought about it but I'm not sure where to start. I've got some ideas for marketing activities. I've nearly finished my marketing plan. Yes, I know exactly how to market and sell to overseas customers.

Need a hand with your business plan?

[Create your own export plan here \(/how-to-grow/exporting/create-a-good-export-plan/\)](#)

Consider these things before exporting or setting up overseas

Here's a broad idea of what exporting involves. Not everything will apply to every business, and you may need to consider other details not listed here.

Money

1. Prices: How do you set prices?
2. Foreign exchange: How changeable is the exchange rate? Are changes likely to wipe out your profits?
3. Finance: What are your trade terms? Do you need trade finance in case your customer takes a long time to pay? How will you get extra money to scale up or help with cashflow?
4. Tax: How much will you pay? When, and in which country?

Logistics and tariffs

5. Supply chain: What's the best way to get your raw materials, and goods or services, from A to B?
6. Tariffs, customs, and duties: How much will you have to pay? How long will your goods take to clear customs?
7. Freight costs and logistics: Will you have to deliver to your customer's door, or does your customer arrange the freight and logistics? Who applies for any special permits, eg for dangerous goods? Make sure both parties know who's doing what.
8. Export regulations: What are the import rules in the country you're selling to?

Marketing and sales

9. Market representation: Do you need sales staff, or can a distributor sell on your behalf?
10. Marketing and sales: Will you use a website, social media, or both? Will you exhibit at trade shows?
11. Packaging: What kind of packaging will you need for your new market? Think about things like design, labelling requirements and bar codes.

Risk management

12. Risk and product liability: What insurance do you need? For example, do you need insurance for non-payment?
13. Intellectual property (IP) protection: Who owns the intellectual property? What rights does the customer have? Do you need to set up trademarks? Talk to an IP specialist.
14. Legal considerations: What sort of customer contracts do you need? What do you need to consider about data integrity, privacy and business structure?

Culture

15. Language: How much of another language will you need to learn?
16. Culture: What do you need to know to make things run smoothly or at least avoid making mistakes?

If you set up overseas

Depending on the country and the structure you choose, you may have to do some or all of the following things when you set up overseas.

[Think carefully before you set up overseas \(/getting-started/choosing-the-right-business-structure/business-structure-overview/#e-30215\)](#)

Register the business

If you set up a brand-new company, you'll need to register it for tax, GST, payroll taxes, superannuation, and so on.

Ask the companies office in the relevant country if you need to provide accounts for auditing or other purposes.

Set up a bank account

Setting up a bank account overseas can be more complicated than many people realise, and can take weeks. For example, you'll need to get documents certified and perhaps translated. You may have to be at the bank in person.

New Zealand banks don't always have strong relationships with overseas banks, so your local bank may not be able to support you fully.

Think about getting your money back to New Zealand

You might be able to get your money out through a management fee, a royalty or software licensing.

You'll have to pay withholding taxes or dividends on royalties. If you send a dividend from Australia to New Zealand, your Australian company won't have to pay tax. But your New Zealand company may have to pay tax when it pays out the dividends to shareholders.

Appoint overseas representatives and consult advisors

You might need a resident director, a director who lives in the other country. For example, Australia requires resident directors.

You might need a lawyer in the other country to check standard terms and conditions, or an accountant to advise on tax.

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