

# A GUIDE TO EXPORT FINANCE

SUPPORTING BUSINESS. **AS USUAL.**



A photograph of two women in a warehouse setting. They are both wearing dark blue work jackets. The woman on the left is pointing at a tablet held by the woman on the right. They appear to be discussing something on the screen. The background shows warehouse shelving and boxes.

# NAVIGATING NEW MARKETS ABROAD

**Whether you're an experienced exporter or exporting for the first time, you will want to ensure you maximise your success.**

The digital economy now means SMEs can reach target markets abroad more effectively to grow sales. With increased engagement enabling customers to order goods via the internet and mobile devices, exporting is now a viable option. If the domestic economy is holding back your growth, export could be an opportunity to drive your business forwards.

Our guide provides insights that will help you navigate in new markets or get your business export ready.

# EXPORTING: SETTING YOURSELF UP FOR SUCCESS

## CONSIDERATIONS FOR SET UP

- ✔ Assess the financial position of your domestic business to ensure it is stable and has the financial capacity to export before pursuing overseas markets.
- ✔ Ensure you have, or secure the capital for, the initial investment.
- ✔ Budget for market development as international markets can take time to grow.
- ✔ Create an export plan - it will enable you to evaluate the potential benefits and risks.
- ✔ Utilise online resources to create your exporting plan, such as those provided by gov.uk, Chambers of Commerce and The Institute of Export.
- ✔ Assign senior employees to your international effort - as a minimum, someone accountable for export sales and someone who will recruit local talent depending on your chosen route to market.
- ✔ Start with one or two countries and choose markets that have growth potential and a customer need.
- ✔ Research who the competitors are, any language issues and explore payment terms.
- ✔ Check that your product or service is legally exportable and determine if you will be able to satisfy an increase in demand.
- ✔ Assess whether you need to customise your product or service to meet local customers' needs.
- ✔ Gain the necessary knowledge on international documentation - getting it right is essential if customs penalties and delays are to be avoided.
- ✔ Decide whether it's best to price your goods or services in sterling or local currency. This will depend on factors such as how you want to present yourself in that market and how your competitors set their prices.
- ✔ Build currency fluctuations into your margins when setting a price. Any movement affecting either currency, could have significant consequences for profit margins. You could consider the use of forward contracts to lock in an exchange rate for future use and protect against fluctuations.
- ✔ Secure the right export funding to help you grow your business. There are a range of specialist finance packages that can help you export and avoid the need for significant upfront capital investment.
- ✔ Avoid bad debt losses and country risk both political and economic by ensuring you have trade credit insurance or equivalent bad debt protection cover.

## ON-GOING CONSIDERATIONS

- ✔ Have a long-term financial plan in place and continuously review.
- ✔ Using letters of credit offers you as the seller a guarantee you will be paid, and the buyer can be sure that no payment will be made until they receive the goods.
- ✔ Operating across different countries can help protect against an over reliance on a small number of markets as well as minimising the impact of economic or political changes.
- ✔ Consider external finance solutions to help you manage your cashflow.

# WHY CHOOSE EXPORT FINANCE?

**Export Finance can reduce the need for significant upfront capital investment by utilising the cash already in your business, tied up in outstanding invoices.**

Designed specifically for exporters, our solution can help your clients better manage relationships with overseas customers and bridge the gap between raising an invoice and getting paid. It is supported by our specialist Export Finance team who can provide language, currency, time zone and legal support.



**Release up to 85% of the value of your invoices** and get faster access to funding before the buyer has taken delivery of the goods.



Support with **collecting your overseas customer payments with foreign language capability**. The process can be confidential.



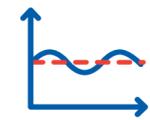
**No limit to funding available for international sales** for one or several customers.



Check your funding at any time with our **24/7 Client Online Service**.



You can choose to **keep our service confidential** and maintain customer relationships directly.

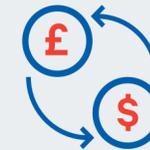


You can use **Export Finance alongside our Foreign Exchange services** to minimise exposure to currency fluctuations.

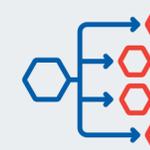
## FOREIGN EXCHANGE

Our FX service allows businesses to make and receive payments easily and swiftly.

It can protect against currency fluctuations, helping to improve the return on your exports.



**Market leading exchange rates** with zero fees on payments and no deposit on Forward Contracts.



**Flexibility** with a choice between Spot Conversions for immediate requirements or Forward Contracts for future needs.



View rate, make and receive payments through our **easy-to-use self-service online portal**.

# EXPORTING: WHAT ELSE DO I NEED TO CONSIDER?

Expanding beyond your domestic market can mean lots of extra paperwork. With a variety of regulations surrounding exports, it is important to know what is required before you expand abroad:



**Free trade agreement:** Exporting to a country that has a trade agreement with the UK can help save you time and money by simplifying regulations and lowering the costs associated with exporting.



**International Commercial Terms (Incoterms):** Specifies the rights and obligations of each of the parties that enter into a contract for the delivery of goods sold.



**Certificate of origin:** A commercial or customs clearance requirement in some countries to evidence the origin of goods.



**Export documentation and shipping requirements:** Freight forwarders can help you to comply with requirements and many businesses use them to act as their shipping agent to transport goods. Always ensure that you have a confirmed sale and contract agreement before bringing them onboard.



**VAT, duty, excise or levies:** Commodity codes classify goods for import and export so you can complete declarations and other paperwork and pay any import charges due.



**Local jurisdiction:** Bear in mind that if you have a contract that means you are selling under the terms and conditions of the importer, you will be bound by the laws of that jurisdiction. This also means that in the event of any dispute, resolution would need to take place in the local market, which can add cost and complexity.



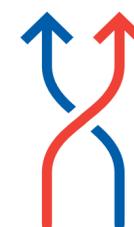
**Terms and conditions of sale:** If no contract exists, ensure that your own terms and conditions of sale are fit for export purpose.

# WHY CHOOSE BIBBY FINANCIAL SERVICES?



## Trusted

We are rated excellent on Trustpilot and a new client joins us every 86 minutes!



## Flexible

Our flexible funding is tailored to meet your needs and grows in line with your sales.



## Human

We believe business is personal. We pride ourselves on building relationships with our clients and understanding their needs.



## Experienced

We've been supporting businesses for over four decades and fund over 300 industry sectors.

To find out more about Bibby Financial Services, visit:

[www.bibbyfinancialservices.com](http://www.bibbyfinancialservices.com)

Or speak to our experts on: **0808 273 1041**

Connect with us on:



SUPPORTING BUSINESS. **AS USUAL.**