

Exporting

Are you ready to export?

Deciding that you need to target overseas markets is an exciting opportunity but also one that requires research and planning.

If you think through the process of selling or working abroad and have a sound knowledge of your target markets, you will be able to understand the resources you need to start and the potential gains you could make from selling internationally.

Having an established business in Jersey with a good market share gives you a great foundation to grow your business by selling internationally. The advantages of trading abroad can be huge, boosting your business's profile, credibility and bottom line as well as offering you access to new customers, revenue and ideas. Perhaps most importantly, selling to more than one market can help you spread your business risk and increase the lifecycle of your products or services.

There are 6 steps to export success:

1. Getting started

You might start selling overseas as a result of an approach from a potential customer and then expand your activity in that markets.

This is a positive scenario as it demonstrates early that there may be a bigger demand for your product or service. Alternatively you can proactively move into new markets

with existing and new products.

No matter how you start, selling off-island shouldn't be an add-on to your existing business but rather become an integral part of your business strategy. So, it is worth thinking about your overall business, look at your financial model, [evaluate your export potential](#) and think about how selling internationally will fit with your long-term vision for the business.

You should start [developing an export plan](#) straight away and use it to collate the research you find so you can make informed decisions about your export strategy. Here is some more help to [get you started](#), with more resources in the Getting Started section of Open to Export:

2. Selecting a market

The aim of your research is to identify the international markets that you think will give your business the best opportunity for profitable growth. This may be the UK, Guernsey and the Isle of Man as well as worldwide.

Even if you start selling overseas because of customers approaching you first, it is worth exploring the opportunity for expansion into those markets to see if it's worthwhile making more of an effort to exploit them. Undertaking market research will give you a better indication of the characteristics and size of the markets that you are looking at.

It's helpful if you select a set of criteria by identifying the market characteristics that are most relevant for your business and focus your research on investigating these for each market. Once you have all the information on all the markets you can evaluate each one by scoring them against your ideal criteria. You might also rank the characteristics in order of importance or give a weighting to different characteristics to increase the impact of those that you feel are more essential for your business.

There are several ways to [research you export markets](#) and the method you choose often depends on the

amount of knowledge you already have. You'll find some useful guides and checklists on [Open to Export: Selecting a Market](#) and the UK Government's Department for International Trade has an extensive range of [country guides](#) covering countries and regions that you might want to export to.

3. Reaching customers

The importance of understanding how to talk to and reach your customers cannot be overemphasised. Choosing your '[route to market](#)' is an important decision as it will determine the resources that you will need both in Jersey and in the market and it will have an impact on the margins and profitability of your off-island sales.

It is important to consider who your customers will be in your chosen market so you can think about the type of relationship that you need with them and the best way to reach them. For example, if you have a consumer product you might need to work with a 3rd party to get it into as many outlets as possible so you'll have a 'hands-off' relationship with your end consumer. If you are providing a bespoke consultancy service you will probably want a face-to-face relationship which requires you to be on the ground.

Now you've decided on the country and the route to getting your product or service into that market, you need to think about your [international market strategy](#). This is key to every new business venture because without a marketing budget and plan how will anyone know about your product or service?

Identifying an appropriate sales channel and marketing activity is important for every company working internationally. Whether you are working through an agent or distributor, directly with clients or even as an e-commerce businesses you need to think about how to build the relationships that will enable you to reach your customers.

You will need to [visit the markets](#) you are selling in. Attending trade shows and conferences is a good way to start making contacts so build these opportunities into your plans.

4. Pricing and getting paid

It is important to understand all of the costs of doing business outside Jersey in order to quote the right price for your product or service. By now you will have realised that there will be additional costs that you haven't incurred in your local business, or thought of before. In general, however, the more you know about your client or customer the better your chance of getting paid.

Think about your [international payments and contracts](#) and specifically:

- Your pricing, taking into account costs in your distribution chain.
- The payment terms including how and when you will get paid.
- The currency you will be trading in.
- How manage your financial risk and protect your finances in Jersey.
- Legalities, tax and other regulations in the countries you will be trading in.

[Open to Export](#) has a number of articles that explain some of the terminology you might come across when thinking about how you will manage your international finance.

5. Logistics

If you are selling a service to the UK or further afield, then your main consideration will be whether to have people permanently in the market or whether your existing employees can travel to where they are needed to complete the contract. Alternatively, you might be able to provide your product or service over the internet.

If you have a product to move, then the practicalities of selling over long distances and across borders are more complicated. The most common modes of transport from Jersey are sea freight, air cargo and through Jersey Post. Although this looks like a daunting task, help is available

and it is worth spending time getting finding the organisations that have the most experience of working with products like yours and into the international markets you are selling to.

A good freight forwarder can be worth its weight in gold because they can help you manage the transport, documentation, customs and regulations and will deal with a lot of the red tape you'll come across.

Open to Export's pages on delivery and documentation will give you a clear understanding of the export terminology that you will come across as you start selling abroad.

[Delivery and documentation](#)

When you're looking at this section of Open to Export remember that VAT doesn't apply in Jersey. Instead you should have a look at the Government of Jersey's [Import/Export pages](#) for specific regulations that relate to moving goods in and out of Jersey.

6. VAT

Since 1st January 2021 there were some important changes to the supply of goods to the UK.

Consignments of goods with a value of £135 or less that are outside:

- the UK and sold directly to customers (not through an online marketplace) in Great Britain (England, Scotland and Wales) will have UK supply VAT charged at the point of sale
- the UK and EU and sold directly to customers (not through an online marketplace) in Northern Ireland will have import VAT charged

This link to the [UK Government website](#) explains the changes. This means that if you are selling goods directly into the UK you will need to register as a `Non Resident VAT trading business` or use the [Jersey Post VAT scheme](#).

If you use an On Line Marketplace like Amazon or eBay they will collect the VAT from your customer. Failure to do this will mean that your product will be held up in the UK until your customer pays the VAT plus a handling charge.

Relevant Links

> [Open to Export](#)

> [China British Business Council](#)

> [Exporting Country Guides](#)

> [UK Asean Business Council](#)

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