



Doing Business With America

Presented by Vanessa Adams,
Export Business Development Director

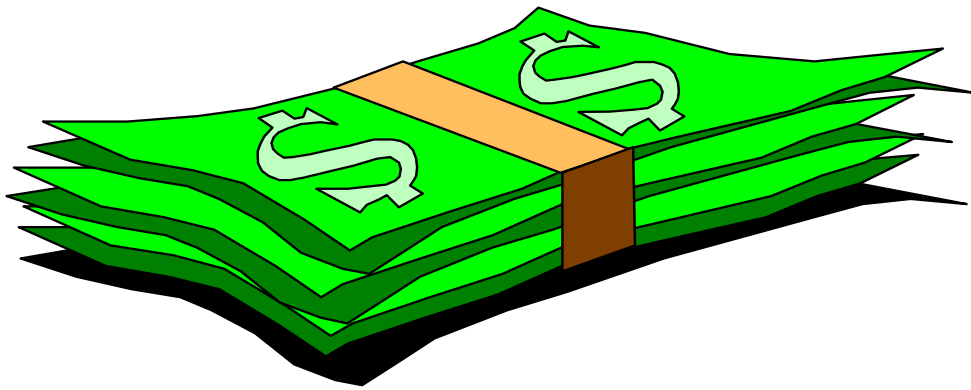


USAID
FROM THE AMERICAN PEOPLE

WATH WEST AFRICA TRADE HUB
CENTRE POUR LE COMMERCE
EN AFRIQUE DE L'OUEST

- Common Myths
- US Business Culture
- West African Business Culture
- Practicalities
- Bridging the Gap
- Market Competitiveness

Common Myths



Myth

Customers will place orders for your product,
at a trade show or during a trade mission.

Reality

Many buyers will make their purchasing decisions
days, weeks, or months after shows.

Use trade shows & trade missions as the *first* of
many steps in building commercial relationships.

Myth

I can just send my goods to the US informally or with a friend. I don't need to understand US Customs regulations.

Reality

Violating your country's agreements with the US jeopardizes business for the whole country. When customs documents are improperly completed, the sender is responsible to pay the full duty taxes or the products are confiscated.

Myth

The United States is one homogenous market.

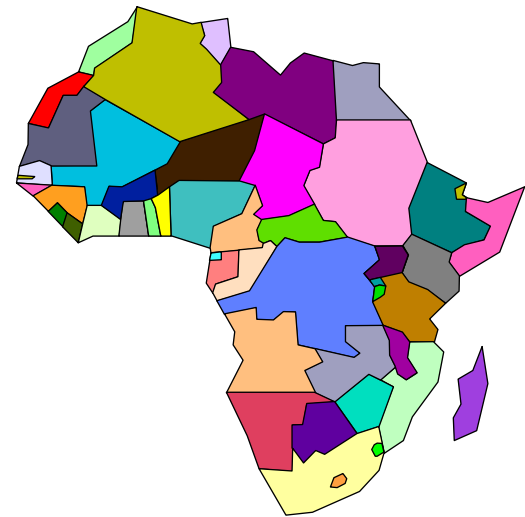
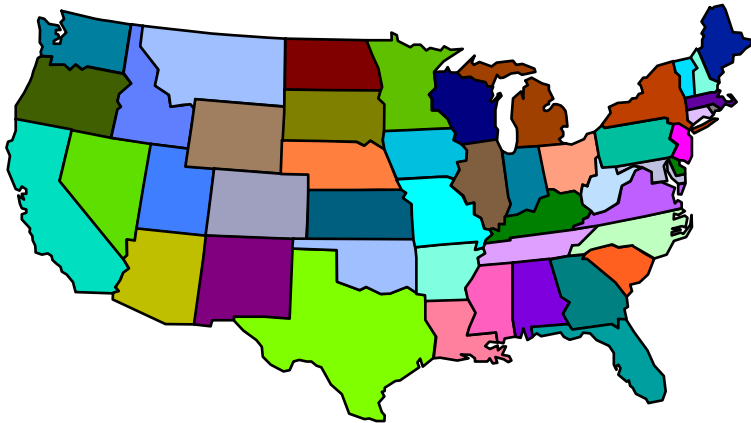
Reality

The US represents many markets with many distinct segments. For marketing, you can think of the US as 50 countries with numerous ethnic groups.

Myths vs. Realities

- Everyone in the US is rich, and will pay for premium products....
- We are at a disadvantage.... It is much harder for us....
- People expect to pay market value for products. If soaps usually cost between \$2 and \$3 each, it is very hard to sell at \$6 each—even with curative properties.
- Over 50% of US small businesses close within the first 5 years of doing business.

US Business Culture



West Africa Trade Hub -- Natural Products Shea
Butter Training

American Business Culture

- Expediency, sense of urgency =
Time is money!!
- Ability to send & receive communications accurately & quickly
- Punctuality (on time deliveries)
- Accessibility to providers, beyond regular working hours/days



American Business Culture

- English language required (written & spoken)
- Save time, get straight to the point
- Direct and honest communications
- Commitments must be kept
- Frequent and regular communication, especially regarding problems

American Business Culture

- Consistency (quality)
- Value (quality relative to price)
- Products change, Trends change, Markets change.
- Once product pricing is established, the same each time, unless stated otherwise.
- Don't make a deal you can't keep.
- No surprises.

American Business Culture

- Reliability, accuracy (number, time, as per standard or agreement).
- Regulations are respected or consequences are paid.
- Contracts are to be honored.
- Payment of bribes is illegal under US law, even if done overseas. Violators are prosecuted.

West Africa Business Realities



West African Business Realities

- Seasonal or holiday shut downs
- Seasonal product or raw material availability
- Limited infrastructure: shipping, flights, telecommunications
- French, Portuguese, or local languages more common than English
- *We tried.... We did our best...* is accepted.
- Frequent family obligations or illness.

Doing Business with the US

Practicalities

- Language (translators may be needed)
- Reliable electronic communications are a requirement
- Regulations must be respected
- Payment (terms of sale, currency exchange)
- Metric vs. English (including weights, sizes)
- Legal code (American vs. West African or European)
- US Homeland Security – US Customs and Border Patrol – Bioterrorism regulations

Bridging the Gap: Exporting from West Africa to USA

1. Product Preparedness

- Proven Production Volumes and Quality Control Capabilities
- Product Costing and Turn-around time Analysis
- Production and Human Resource Management Systems Implemented
- Workers' Safety Assessed

2. Financial and Logistical Readiness

- Audited Financial Statements
- Line of Credit, Equipment Loans Negotiated
- Transporter Partnerships Established
- US Regulations Understood and Implemented
- Relationships Established with Customs

Bridging the Gap: Exporting from West Africa to USA

3. Marketing and Sales Strategy

- Target Market for Product Selected
- Website, email functionality
- Company Profile, Product Catalogue, Pricing List, Business Cards in English
- Contact Management System, Sales Tracking System
- Selected Marketing Venues, Trade Shows
- Partnerships Established—regional, international



West Africa Trade Hub

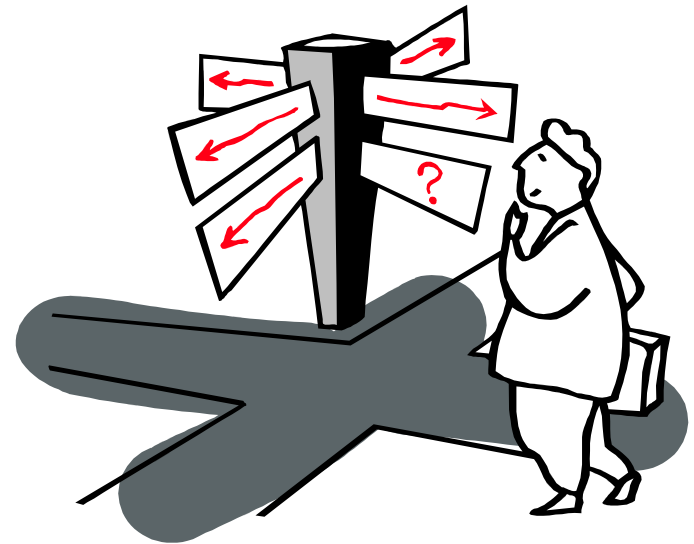
Market Information – Knowing Your Competition

Why Analyze the Competition?

Pourquoi Analyser le Concurrence?

Market intelligence will help you determine your competitive advantage and you can use that information to better design and market your product for greater sales.

Les renseignements sur votre marché vous aideront à déterminer votre avantage comparatif et vous pouvez utiliser ces renseignements pour mieux concevoir et vendre d'avantage votre produit.



Why Analyze the Competition?

Pourquoi Analyser le Concurrence?

- Learn what alternatives are available to your target customers
- Determine your product / company strengths as compared to those of your competitors
- Discover unserved or “niche” markets
- Innovate with new ideas for product mix, marketing, merchandising
- Apprenez les alternatives dont disposent votre clientèle cible.
- Identifier les points forts de votre produit / entreprise par rapport à ceux de vos concurrents.
- Découvrez le <<créneaux>> des marchés non encore servis
- Soyez créatif avec de nouveaux produits, le marketing, la présentation

Identifying Your Competition

Identifier Vos Concurrents

Product / Produit

Any product that a buyer might purchase instead of purchasing your product.

Des produits que votre acheteur pourrait acheter au lieu des vôtres.

Company / Entreprise

Any company that sells products similar to those your company sells.

Des entreprises qui vendraient des articles similaires aux vôtres.

The Competition / Le Concurrence

	Direct Directe	Indirect Indirecte	Future Future
Product Produit	<p>A product which is the same or similar</p> <p>Un produit pareils</p>	<p>A product that is different but still fills the buyer's needs</p> <p>Un produit différent qui peut satisfaire les même besoins de l'achetehur</p>	<p>A new or existing product that a buyer may purchase in lieu of yours in the future</p> <p>Un produit existant ou futur qu'un client achetera au lieu de votre produit</p>
Company Entreprise	<p>A company offering the same or similar products to those of your company</p> <p>Une entreprise qui offre les mêmes produits que vous</p>	<p>A company that offers different products but competes for the same customer</p> <p>Une entrteprise qui offre les produits différents mais qui cible les même clients</p>	<p>A new or existing company that may compete for your customers in the future</p> <p>Une entreprise existant ou future qui peuvent cibler vos clients dans l'avenir</p>

External Factors Affecting the Market

Factor	Effect
Economy	Ability & willingness to spend \$
Seasonality	Some products or colors will only sell at certain times of year. For example: <ul style="list-style-type: none"> • Holiday merchandise, summer or winter clothing, school supplies
Current Events	May affect consumers' willingness to buy, and types of products they buy. For example: <ul style="list-style-type: none"> • Increased computer sales before Y2K Millennium. • Increased sale of US flags & decreased sale of travel goods after 9/11
Consumer Trends	This season's / year's popular products / styles / colors may not sell next season / next year because fashions or tastes have changed Note: Trends generally move from E & W coasts to central US
Technology & Science	<ul style="list-style-type: none"> • Changes in purchasing methods (for example: e – commerce) • i.e. New scientific data on effects of chemicals in personal care products.

Facteurs Externes Exerçant de l'Impact sur les Marchés

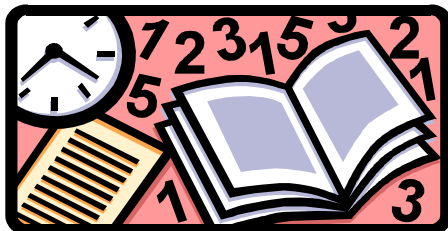
Facteur	Effet
Economie	La capacité et la volonté de dépenser de l'argent
Saisonnier	Certains produits auront un marché à certaines périodes de l'année seulement. Par exemple: Articles pour Noël, habits pour été ou hiver, fournitures scolaires
Actualités	Ce qui pourra empêcher les consommateurs d'acheter ou le genre de marchandise qu'ils achètent. Par exemple: <ul style="list-style-type: none"> • Une vente accrue d'ordinateurs avant le millénium Y2K. • Une vente accrue de drapeaux Américains et une baisse en voyages internationaux après le 11 septembre
Tendances chez les Consommateurs	Les articles populaires pour cette saison / cette année / les styles / les couleurs peuvent ne pas être vendus la saison prochaine / l'année prochaine parce que les modes changent NB: En général aux Etats Unis, les tendances commencent sur les côtes est et ouest et continuent vers le centre
Technologie et Science	<ul style="list-style-type: none"> • Les modifications dans les méthodes d'achat (p.e.: e-commerce) • Les effets de produits chimiques sur la peau.

Types of Market Information

Types d'Information sur le Marché

Primary Data / Les Données de Base

- Observation / Observation
- Interviews / Interviews
- Market tests / Essais au Marché



Secondary Data / Les Données Secondaires

- Internet searches / Les recherches sur l'Internet
- Market reports / les rapports sur le marché
- Trade publications / les publications sur le commerce

Gathering Market Information

- Conduct your own business survey
 - What are the needs & interests of your sector's:
 - Importer
 - Wholesaler
 - Retailer
 - Consumer
 - Where do they currently do business? Why?
 - Are there any unmet needs? What could be done better or differently?
- Be a customer of your competition
- Person-to-person is most effective, but telephone & Internet are also useful survey tools

La Collecte des Renseignements sur votre Marché

- Faites votre propre enquête sur votre marché ciblé
 - Quels sont les besoins et les désirs de votre
 - Importateur
 - Grossiste
 - Détaillant
 - Consommateur
 - Où font-ils leurs affaires actuellement? Et pourquoi?
 - Ont-ils des besoins non encore satisfaits? Et pourquoi?
- Visitez ou appelez vos concurrents
- Le contact de personne à personne est le plus efficace, mais le téléphone et l'Internet doivent aussi être des outils pour les enquêtes

Methods of Gathering Market Information

At the Natural Products Expo West:

- Meet distributors, agents, potential partners
- Develop customer relationships
- Ask for direct feedback on your product, pricing
- Get to know your competition
- See new products and ideas
- See how your competition sells their products

Les Méthodes Pour la Collecte des Données du Marché

Au salon Natural Products aux Etats – Unis:

- Voyez vous – même la compétition
- Voyez les produits et idées neufs
- Voyez comment vos concurrents vendent leurs produits
- Rencontrez les fournisseurs, les agents commerciaux, et les partenaires éventuels
- Développer des relations avec des clients éventuels
- Chercher du feedback sur votre produit, vos prix
- Créer un réseau

Resources to Understand the US Market

Review Written Materials

- Special interest magazines & newspapers (consumer & trade)
- Trade association publications (newsletters, web sites)
- Government statistics, Chambers of Commerce, state promotion boards

Analyser les documents écrits

- Les journaux et presse d'intérêt particulier (consommateurs et commerce)
- Les publications des associations commerciales (lettres d'information, sites web)
- Les statistiques de gouvernements, les chambres de commerce, les office d'état pour la promotion

What to Look For

Ce Qu'il Faut Rechercher



- Competitive products (style, price, packaging, shipping, ad presentation)
 - Trends (new styles, colors, products)
 - Absence of a product or service
 - Potential suppliers, agents, partners
-
- Les articles compétitifs (style, prix, emballage, expédition, et présentation)
 - Les tendances (styles, couleurs, produits nouveaux)
 - Le manque de produit ou de service
 - Les fournisseurs, agents, et partenaires éventuels

Market Information Gives You: Les Renseignements sur les Marchés Vous Donnent:

- A clear idea of your competitive advantage/s
 - Insight into your market niche
- Information about what your customer wants
 - Ideas for marketing and merchandising
- An idea of the sales potential for your business

but

You ***must*** update your information regularly to remain current.

- Une idée claire de vos avantages compétitifs
- Un aperçu sur votre créneau de marché
- Des informations sur ce que votre client veut
- Des idées pour la commercialisation et le merchandising
- Une indication sur le potentiel en ventes pour votre entreprise

mais

Vous ***devez*** remettre les données à jour régulièrement pour ce qu'ils restent valable.

Are You Competitive?

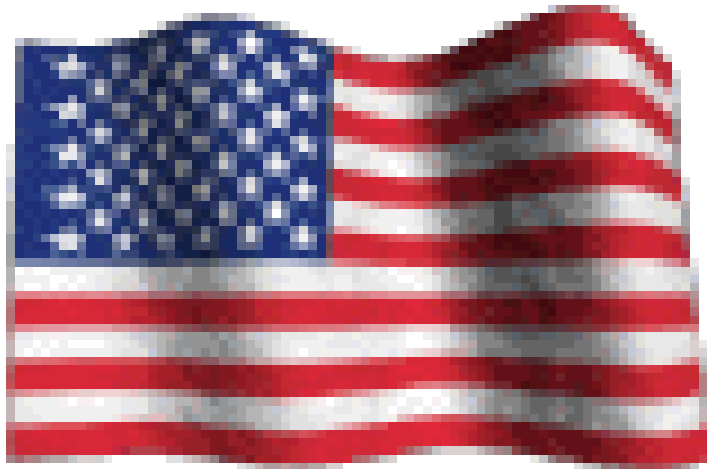
Examine your production costs to determine in which markets your product can compete.

- Final **price** is determined by the market or the importer.
- Is your final **cost** at merchandise delivery is less than or equal to the importer's target price?
- Research competitor prices for **similar goods**, including production, transportation and of particular importance the tariff costs.
- Your price must be equal to or lower than that of your closest competitor.
- Your total production time as well as shipping time and cost must be competitive.

U S Government Support



United States Embassy



- Economic Office
- Consular Office



WATH WEST AFRICA TRADE HUB

CENTRE POUR LE COMMERCE
EN AFRIQUE DE L'OUEST



WATH Export Business Development Director Vanessa Adams conducting export-readiness assessment with Florespesiosa in Sao Tome e Principe



West Africa Trade Hub -- Natural Products Shea Butter Training

- Trade Policy Facilitation
- Government Assistance (AGOA Textile VISA & Category 9 certification)
- AGOA Resource Centers
- Sector-specific export business development technical assistance
- Trade show sponsorships
 - Handcraft sector, CGS
 - Apparel Sourcing, MAGIC
 - Shea Butter, Natural Products
 - Int'l. Boston Seafood Show

AGOA Resource Centers

- **18 currently operational in West Africa, including Dakar, Bamako, Accra, Niamey, Cotonou, Lagos, Ouagadougou, Sao Tome**
- **AGOA data base on PC hard drive**
- **Internet access for AGOA-related research**
- **Trade Map and Product Map**
- **Intended for public access**



WATH WEST AFRICA TRADE HUB
CENTRE POUR LE COMMERCE
EN AFRIQUE DE L'OUEST

Useful Websites

- West Africa Trade Hub (www.watradehub.com)
 - Ex-Im Bank (www.exim.gov)
 - TradeMap (www.trademap-usaid.org)
 - US Department of Commerce (www.doc.gov)
 - Buy USA (www.export.gov)
 - AGOA Products and US Import Data (www.agoa.gov)
-

*On your marks,
Get set*