



Unit D8WA 04 (710)

Explore Markets Abroad

Unit Summary

As your business grows, you may reach a point where you need to: widen your products or services, find new customers for your existing products or services, or open a new business elsewhere. This section will help you to decide if there is a market for your products or services in another country. If you want to export your goods or services, you will need to; investigate export markets, consider the costs and benefits of exporting; find out about the paperwork involved, and the terms and conditions of trading abroad; plan the resources that will be needed, decide how to check and quality control, and know where to get information and help. You may decide that exporting is wrong for the business. You may be better off developing new products for the market you know. However, if you decide to export, this Unit will help you. To explore markets abroad you will probably have to gather a range of information on overseas markets and trading terms which might include: overseas markets research reports, analysis of the strengths, weaknesses, opportunities and threats involved; information about customers' needs abroad (eg surveys or information from chambers of trade or embassies), copies of any export contracts or other documents and correspondence, and minutes from meetings about export trading. When you have explored markets abroad, you will probably have some of the following: an idea of which export markets are suitable for your products and services, an export plan, and a review of export activities set against business targets.

In order to be assessed as competent you must demonstrate to your assessor that you can consistently perform to the requirements set out below. Your performance evidence must include at least one observation by your assessor.

Achievement of this Unit will provide you with opportunities to develop the following SQA Core Skills:

Communication Higher

- ◆ Produce and respond to oral communication on a complex topic.

Numeracy Higher

- ◆ Apply a wide range of graphical skills to interpret and present complex information in generalised contexts.
- ◆ Apply in combination of wide range of numerical, statistical and other mathematical skills to process complex information in generalised contexts.

Problem Solving Higher

- ◆ Plan, organise and complete a complex task.
- ◆ Review and evaluate a complex problem solving activity.

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I have completed the requirements of this Unit.

Candidate name: _____ **Date:** _____

Candidate signature: _____ **Date:** _____

I can confirm the candidate has completed all requirements of this Unit.

Assessor signature: _____ **Date:** _____

IV signature: _____ **Date:** _____

Assessment centre: _____

You must be able to		Evidence Requirements	Evidence/ Activity Ref No.
1	<p>Analyse markets abroad</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Research information on foreign markets to choose suitable opportunities for the business. (b) Identify the export market segments that fit the business products or services. (c) Identify overseas customer needs for your products or services. (d) Identify anything in your chosen market that may affect the business. (e) Review your products or services and decide if they need changing for sale abroad. (f) Identify opportunities to create new products and services for export. (g) Identify the costs, benefits and risks or trading abroad and get more information if necessary. 	<p>Evidence of analysing markets abroad in accordance with workplace procedures.</p>	
2	<p>Plan how you will trade abroad</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Set targets for trading abroad and match these to the targets you have already set for the business. (b) Develop an action plan for overseas trading, and explain how you made your decisions. (c) Work out precisely what resources you will need to trade overseas. (d) Decide if you have enough resources or if you will need to seek extra funding. 	<p>Evidence of planning how you will trade abroad in accordance with workplace procedures.</p>	

		Evidence Requirements (cont)	
2 (cont)	<ul style="list-style-type: none"> (e) Review the plan to check that it will produce a suitable return on the investment you are prepared to make. (f) Assess how overseas trading will affect the business. (g) Take advice from suitable sources. 		
3	<p>Prepare to trade abroad</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Decide how you will put your plan into practice. (b) Make sure you have the resources you need to put the plan into action within a set timescale. (c) Identify the paperwork that will be needed in this country and abroad. (d) Set up the information and administration methods you will plan to use. (e) Decide the terms and conditions for selling your products or services and make sure that you meet the business's needs and obey any local laws and regulations. (f) Assess the risks of dealing with overseas customers and take action to keep risks down. (g) Identify the areas of greatest risk and make sure that you have enough resources to deal with any problems that arise. (h) Decide how you will check your progress against your planned actions. (i) Make sure that all people involved know and understand what they are expected to do. 	Evidence of prepare to trade abroad in accordance with workplace procedures.	
4	<p>Make sure that trading abroad benefits the business</p> <p>This means you:</p> <ul style="list-style-type: none"> (a) Consult people who have been involved in exporting successfully. (b) Regularly monitor the progress of your overseas investments to make sure targets are met and problems don't get out of hand. (c) Identify the strengths and weaknesses of the export plan. 	Evidence of prepare to trade abroad in accordance with workplace procedures.	

		Evidence Requirements (cont)	
4 (cont)	<ul style="list-style-type: none"> (d) Work out the costs and benefits of exporting products or services. (e) Find out how successful the overseas activity is by studying the information you received from monitoring your progress. (f) Identify any new opportunities that emerge and review the export plan as necessary. (g) Keep all the right people involved and informed about progress and changes made to the export plan. 		

Evidence of Performance

Evidence of performance may employ examples of the following assessment:

- ◆ the candidate's reflective account of performance
- ◆ professional discussion (candidates discuss with their assessor how their evidence meets the standards and the discussion is recorded as part of the evidence)
- ◆ recorded oral and written questioning
- ◆ naturally occurring products (eg, these could include — business plans, e-mails, letters, faxes, personal notes and action plans)
- ◆ evidence from relevant, independent and authoritative experts such as business advisors, business mentors, accountants, solicitors or bank staff
- ◆ evidence from prior experience and learning that clearly matches the requirements of the standards

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Candidate name:		Assessor initials/date
No	Activity	
1		
2		
3		
4		

You need to know and understand		Evidence
Evidence of knowledge and understanding should be collected during observation of performance in the workplace. Where it cannot be collected by observing performance, other assessment methods should be used.		
K1	Where you can find out about the market abroad (eg business associates, embassies, market research, trade journals, marketing specialists, government departments and export agents).	
K2	What the costs and benefits are of alternative sources of market information (eg availability of free information).	
K3	Why market segmentation is important.	
K4	How to work out the costs, benefits and risks of trading abroad. This could include: costs (eg foreign exchange rates, foreign travel, transport and distribution, agents' fees, insurance, credit, export credit guarantees, import duties, packaging, promotion or bad debts); benefits (eg increased markets, quantity of sales, trading agreements or increased profits); and risks (eg less sales than expected, changes in exchange rates, distribution problems, late payment, patent and copyright infringements, trade embargoes and international conflicts).	
K5	What you should include in an export plan. This should include the following: what the export market is; what the overseas customers need and want; an idea of the amount of export sales you aim to achieve and what the profit margin target is (eg high and low forecasts); what type of marketing you will use; how much the marketing and sales will cost; what the products and services are; what the price of products or services should be; who will be involved in marketing or selling; how and where products and services are to be sold; how any cultural and language factors will be taken into account.	
K6	How to work out the costs of products and services in each country (eg basic production costs, packaging and transport to shipping point).	
K7	How to guarantee a suitable return on your investment (eg through matching your prices to the market and by working out your profits in pounds).	
K8	How to prepare for changes between the value of the pound and the trading currencies (eg what to do when the value of the pound falls and how to reduce the risk of movements in the trading currency).	
K9	What export paperwork is needed (eg forms, records and certificates).	
K10	What the usual payment and delivery methods are for exports.	
K11	The most suitable methods for monitoring progress (eg sales, gross margin and late payments).	
K12	What the obvious problems are (eg exchange rate movements, political and market changes, changes in export conditions and difficulties with resources).	
K13	How to work out the costs and benefits of overseas activities: costs (eg less than expected returns, taking away resources from local activities); benefits (eg more customers, profitability, business reputation and satisfaction).	
K14	Why it is important to review the export plan and make changes where they are needed.	
K15	How to spot new opportunities, and what they are likely to be (eg new markets in other countries, new products or services, increasing sales and distribution).	
K16	How to identify the needs of overseas customers (eg by using customers databases, overseas contacts, research reports and surveys).	

You need to know and understand (cont)		
K17	What may affect the business in your chosen overseas market. This could include: financial environment (eg foreign exchange rates, changes and restrictions, insurance availability, export and import duties); competitors' activities, including other exporters from the UK (eg pricing strategies, distribution, product and service developments, marketing campaigns and publications); laws; credit control (eg ways for getting payment from abroad or encouraging early payment); time zones; and cultural and language differences.	
K18	Problems that may affect your export plans.	
K19	What your export targets are (eg market position, sales volume, the range of countries, profit).	
K20	How you plan to launch your products or services overseas (eg by stages or by using different distribution channels for exporting, such as direct sales, agents, collaboration or licensing).	
K21	What resources you will need in planning (eg for preparing the product or service, promotion, finance, staff, premises, administration and distribution).	
K22	How long it will take to get the export plan up and running, and how these timescales can differ in different types of overseas markets.	
K23	What resources will be needed when preparing to trade abroad (eg finance, staff, premises, materials and equipment).	
K24	What information and administration methods to use and their costs and benefits (eg for communication, monitoring and recording export activities, overseas customer contacts and handling paperwork).	
K25	How to decide terms and conditions for the export of products and services (eg price, payment methods, delivery arrangements, after-sales agreements, insurance and credit) and how to make sure that they meet business and customer needs.	
K26	How to assess the risks of different types of customer.	
K27	What effect different time zones will have on running the business.	
K28	How and why those involved in overseas activities should be consulted.	
K29	How you will work out whether exporting has been successful for the business (eg were targets met, cash flow, profitability of each product, service and market).	
K30	How to keep others informed about progress and changes to plans (eg spoken or written reports, briefing sessions and meetings).	
K31	How the overseas market for your products and services is divided up (segmented). The market could be segmented by: age; occupation or social class, which is often linked to income; lifestyle or image; buying habits; local neighbourhoods or wider regions; and benefits.	

Notes/Comments

Assessor signature: _____ **Date:** _____