

HOW TO EXPORT TO THE UNITED STATES: 6 SIMPLE STEPS FOR SMEs - Global Trade Magazine

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7-8 minutes

According to the [Organization for Economic Cooperation and Development, International Trade Statistics 1](#), participation in exports remains largely led by large enterprises (250 or more employees) in industrialized countries. In developing countries, the story is the same, and only a small percentage of small and medium sized businesses export at all. The World Trade Organization (WTO) reports that SMEs in developing countries make up roughly 45%, on average, of a country's Gross Domestic Product ([WTO, 2016](#)), but SMEs' exports represent on average 7.6 per cent of total manufacturing sales, compared to 14.1 per cent in the case of large manufacturing firms ([WTO, 2016](#)).

If you want your small or medium-sized business to get a piece of the export pie, according to the [OECD Trade Committee](#), there are a number of challenges to be overcome. These include everything from limited access to credit, insufficient use of technology, and lack of export experience, to border controls. The most significant challenge posed, remains learning the ins and outs of getting your product from your country to foreign markets in a cost effective manner. These tips can help your small business become better equipped to enter the exciting world of exports.

The first stage in export planning is to investigate the market and identify your reasons for exporting to customers.

First, determine demand. You need to know where in the U.S. your product is needed. If you sell bathing suits, better export to Florida and California than to Nebraska or Alaska.

Second, you'll need access to buyers. Start with researching buyers on the Internet, use your local U.S. Chamber of Commerce as a first resource, followed by the Economic Officer in the U.S. Embassy or Consulate in your country. Then, watch for upcoming trade shows where your goods could be featured.

Next, either start selling directly on your own ecommerce platform (secure payment and delivery systems should be integrated), or build a relationship with an international trade agent, whom you trust to help you navigate state and city markets, regulations, and opportunities for you to sell your goods in the U.S., either to wholesale distributors, or directly to retailers. Improved logistics channels, [eCommerce](#), and free trade agreements make that possible.

Third, find out what, if any, [tariffs](#) or exemptions exist for your goods. If there are no trade agreements between your country and the U.S., exempting your goods from tariffs, you'll need the help of a U.S. licensed Customs Broker. A U.S. Customs Broker will be familiar with the [Harmonized Tariff Schedule of the United States](#) ("HTSUS"), and help you classify your goods and determine the tariffs you'll have to pay to the U.S. Customs and Border Patrol, before your goods can enter the United States.

The [National Customs Brokers and Freight Forwarders Association of America](#) can easily provide brokers in the state or region you're targeting.

Fourth, once you've got a better understanding of your profit margin to determine how you'll sell your goods in the export market, you may wish to consider how to potentially mitigate any risks that can occur while your goods are being shipped, or once your goods arrive at their destination and are with the buyer(s). There are payment risks, damage or destruction of goods risks, documentary risks with [customs](#), and many others.

You may have access to a [good trade and customs attorney](#) in the originating country, but he or she may not be thoroughly familiar with U.S. trade compliance requirements. In that case, you may benefit from consulting with a [U.S. international trade lawyer](#) to learn how they can help you mitigate risks in exporting by intervening with customs on your behalf, managing disputes through a properly drafted contract, and putting you in touch with relevant agents for information on U.S. trade insurance and compliance with government regulations.

In the U.S., generally, a phone or email consultation with a reputable lawyer would be free. If they want you to pay to talk with them for a few minutes about your problem and find out if they can help you, then hang up and call another lawyer.

Fifth, you need to build a relationship with a reputable [freight forwarder](#) or consolidator, who will help you decide: whether to ship by air or by sea; what documents are required for the country you are exporting to; how to pack your products for shipment; label them, and insure them. Normally, the freight forwarder will take care of it all, for a premium, but beware of [INCOTERMS](#) (regulations that define the responsibilities of buyers and sellers involved in commercial trade).

You must have at least a basic understanding of them to comprehend the shipping documents your freight forwarder will have you sign, and to protect your rights and limit liability.

Sixth, yes exporting is exciting, but it's also risky doing business across oceans and continents with buyers you don't know and may never see. To that end, there are many export resources in the originating country that companies, small and large, can benefit from. Usually [Chambers of Commerce](#) are a good starting point. There are associations of American Chambers of Commerce in every region of the world; just check the American Chamber of Commerce [online directory](#) for the specific one in your region or country.

Your own government's resources can usually also offer invaluable information and global networks, including relevant contacts in the U.S. This is particularly helpful if you have a problem that can be fixed by your government seeking the intervention of commercial or economic officers at the local U.S. embassy in your country (keep in mind though that the Embassy is meant to assist U.S. citizens and residents, not foreigners).

Further, your local manufacturers association(s) may have members who have exported in the past, and can share their expertise. Lastly, commercial banks and local [Export-Import Banks](#) can guide you on how to leverage export financing, and minimize your financial exposure, when transacting business with foreign buyers.

Against this backdrop, you can reduce the external challenges SMEs face in trading, and better manage the uncertainty inherent in doing business internationally, all while making a healthy profit and expanding to new markets.

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