

International Trade Financial Solutions Newsletter

Issue 3

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Hello, and a Happy New Year to everyone.

As many of you will recall, this was to be my 1st newsletter, but I jumped the gun by starting back in November last year.

With Christmas and the New Year now well past, we're all turning our thoughts again to business and exactly how the present conditions will affect us in the coming months. Challenging - yes, but with the correct strategies and systems in place, hopefully we can all get through until better times return. It's at times like these that it can really pay dividends to seek out independent professional advice.

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Exchange Rates.

It wasn't my intention to feature exchange/interest rates every month but, given what has happened since I started these newsletters [and I don't think there was any link between the 2], it's worth summarising what has happened over the past year or so.

US Dollar. From a high of US\$2.1116 in November, 2007, Sterling fell to US\$1.43 by the end of 2008, the lowest that it's been for over 6 years. That's a fall of some 32.6% in 13 months, with most of the fall coming in the 3rd and early 4th quarter of 2008.

Euro. The recent fall in the value of Sterling against the euro has, perhaps, been even more startling. It's high in 2008 was €1.53, falling to parity [almost] by the end of the year, a fall of 34.5% during this period. What's more surprising, though, is the 17% fall in December alone.

Such falls can make forecasting very difficult, but it's always good to remember that, what may be bad for importers, and the current weakness of Sterling certainly is, it can be a good thing for exporters, since our goods are now cheaper abroad. The trick here is to assess your markets - if they are also going through tough times - other parts of the eurozone, for example, are reckoned to have

almost as many problems as our economy, then there's no guarantee that consumers will buy, even if your prices have fallen. So it's back to that old stalwart - research, research and research. [See also the 1st part of the article on Overseas Sales below]. For those in service industries, similar issues apply, according to exactly what services you are involved in and who is your expected market. Anyone who may be reliant on foreign visitors to the UK may benefit, since a cheap Pound may encourage holidays in/to the UK. So it's important to keep things in perspective - times are challenging for many, but there will always be opportunities. The ability to be able to react quickly to changes in conditions will be a vital tool to have in your business this year, methinks.

New Training Courses.

Gateway for Business is supported by the London Development Agency [LDA] and runs fully funded training courses and workshops for SME's who are based in either the London Borough of Havering or Barking & Dagenham. They operate from the CEME campus in Marsh Way, Rainham. So, why do I mention them? Well, because, after discussions with them, I'll be holding the first of what I hope will turn into a series of day long workshops aimed at the basics of Importing and Exporting. The first one is scheduled for Tuesday, 3rd February, 2009 from 9am to about 5pm and is aimed at businesses who either are new to importing/exporting, or who are thinking about it. Places are limited to about 15 or so and it's free, with lunch thrown in.

If you are interested, either speak directly to GfB - Jenny Clay on 020 8596 5157 [she can also advise whether or not you are eligible] or send them an e-mail at info@gatewayforbusiness.co.uk. I'd be happy to let anyone know the broad contents of the workshop, but all bookings must be made through Jenny. I hope that I may see some of you there.

On a broader note, I am hoping to expand the delivery of these types of workshops to other areas throughout Essex, Hertfordshire and other areas of NE London if/when I can find suitable outlets. Ideally, I'm looking to deliver these either free of charge or at minimal cost to delegates, so it does depend on being able to source suitable funding, but fingers crossed.....

Overseas Sales Options. [Part 1].

Over the course of the next few issues, I'll look at some of the options available to exporters in getting their goods to market in order to achieve the optimum results. These articles are geared toward those exporters who produce something tangible, but certain service led businesses will also be able to adapt some aspects. These articles are not a panacea or make any claim to success - they are designed to give you food for thought and help you determine the way forward.

There are several options available and all have benefits, but you do need to weigh these up according to you own specific needs. At times, local laws and regulations may restrict you in your choice and it is always important to understand whether there are restrictions before you commit to any new Country.

There are 5 main options that are typically available and these are:

1. Agency
2. Distributor
3. Representative Office
4. Joint Venture
5. Wholly Owned Subsidiary.

In addition, you can consider having no local presence, but work remotely by using:

- Third Party Sales
- Partnership
- Franchise
- Internet Only

In the next couple of issues, I'll look into each of these in more depth and set out some pros and cons of each. In the meantime, let me know if you need specific help and advice for your business and we'll see what we can do.

If you know of any other business to whom this ezine may be of interest, why don't you forward it on to them and encourage them to sign up for future issues?

The next issue will be out mid February, on the 15th. So, if you forget to get your Valentine a suitable card for the 14th, just wait for this the next day; a perfect alternative.....