

## Overview

This standard is for entrepreneurs who are exploring international markets for their business. There are many differences in trading abroad as opposed to trading in the UK. It is important to identify these differences and make sure that your business benefits from exploring international markets. To do this you need to comply with the relevant laws and regulations, including terms and conditions of trading abroad. You will investigate export markets, consider the costs and benefits of exporting, plan the resources and access relevant sources of information.

You might do this if you need to:

1.  
widen your range of products or services;
2.  
find new customers for your existing products or services;
3.  
open a new business or social enterprise elsewhere.

## Performance criteria

### *You must be able to:*

1. identify the need to explore the opportunities internationally
2. research information on international markets to choose suitable opportunities for your business
3. identify factors that may affect how your business will run in different markets
4. consider whether your products or services need changing to fit into an international market
5. explore how you will promote your products or services internationally
6. identify the opportunities for selling or distributing your product or service in other countries
7. identify the skills and capacities you and your staff will need to develop for trading internationally
8. assess different types of contractual agreements to identify the most suitable for your business
9. evaluate the levels of competition within the markets you are considering
10. identify the potential costs of trading internationally
11. identify the risks and benefits of trading internationally
12. identify the required resources for international trade
13. seek specialist advice and language support when you need it
14. assess whether international trade will produce a desired return on the investment
15. identify the relevant laws and regulations affecting international trade that you will need to follow

## Knowledge and understanding

### *You need to know and understand:*

#### International trade

1. the sources of information about the potential international markets
2. how to carry out research to ensure there is a market for your products or services
3. the types of distributions, including through agents, distributors, local and foreign retailers and exporters
4. the variety of routes to the international markets
5. the factors that may affect running your business in international markets
6. the types of resources required for trading internationally

#### Competition

7. the competitors in the countries you are researching
8. how to assess competitors' activities including other exporters from the UK and other countries
9. your competitive advantage on the national and international markets
10. how your products and services compare to and fit into international markets in terms of market perception
11. your products' and services' strengths, weaknesses, opportunities and threats

#### Finance

12. the financial environments of foreign countries where you are planning to trade
13. the costs of trading abroad, foreign exchange rates, travel, transport and distribution, agents' fees, insurance, credit, export credit guarantees, import duties, packaging, promotion or bad debts
14. how to plan cash flow to ensure there is enough money while developing the

international markets

15. how to match your prices to different markets
16. how to work out what margins you are likely to get, what margins are acceptable to you and calculate your profits from trading internationally

Laws and regulations

17. the relevant laws and regulations affecting international trade
18. the export and import duties, import restrictions
19. the employment conditions in foreign countries
20. your products' and services' safety, liability, quality control and protection in terms of copyright, intellectual property, trademark, design, patent
21. the different types of contractual agreements, alliances, licensing, franchising, etc.
22. the benefits of trading abroad, such as expanded markets, quantity of sales, trading agreements or increased profits
23. the risks of trading abroad, such as fewer sales than expected, changes in exchange rates, distribution problems, late payments, patent and copyright infringements, legislation, losing your current UK-based customers
24. the skills required for your business to trade successfully abroad
25. how to make sure exporting will be financially viable for your business

Explore international markets for your business

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**Suite** Business Enterprise

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