

DEVELOPING AN INTERNATIONAL VALUE PROPOSITION

Economic indicators in the USA point to a particularly challenging environment for those who would export to this country. First, the US dollar is no longer the global dynamo that it once was. In the past twelve to eighteen months, its value has swung to dramatic lows before regaining only a bit of its former luster. Second, of course, the US economy is no longer merely sluggish, it is downright weak, with the housing and financial sectors in particular crisis. Finally, energy costs remain high and consume a significant portion of purchasers' budgets.

In such an environment, how can foreign, and in particular European, exporters succeed in the US? The answer lies in providing clear and articulated value, not only to American purchasers, but also to American companies seeking to expand their own markets.

Successful foreign exporters are those that approach the US market with a focus on demonstrable quality and service. Indeed, in the past several months alone, despite a weak dollar and economic instability, we have observed numerous clients in diverse industries conclude significant sales to new customers in the US on the basis of their ability to provide quality products and superior service at a fair price – not the *best* price, but a *fair* price.

Another important message for exporters to communicate is that in addition to the intrinsic value of their products, an American company's purchase of their products can be a significant "value-added" to the American's own product line, competitive position or even its ability to access new markets.

For example, while there are scores of American and foreign producers of vinyl windows, a European vinyl window that reflects a new technology, style or aesthetic, or one that possesses desirable features that still comply with emerging building codes, can be useful distinguishing factors that enable the European firm to access the American market.

An American firm that blends that European window into its existing product offerings can benefit from this value-added. In this case, the message is not, "Our product is cheaper," but rather, "Our product can help you offer a more comprehensive line to your customers."

Another means of demonstrating value to an American firm is to offer a partnership that enables the American firm to benefit from the foreign firm's existing export markets. Thus, if a European firm is exporting to Canada but wishes to enter the New England market as well, a "quid pro quo" might be developed in which the American firm purchases European products for sale in New England with the understanding that the European firm will assist in opening doors for the American company's products in the Canada.

In a nutshell, success today truly depends upon an exporter's ability to demonstrate value. This is particularly true for European firms seeking to access New England and other US markets. Given challenging economic conditions and a weak dollar, a European firm that seeks to sell to New England must be especially creative and progressive as it explores those particular value advantages it can offer to clients – and partners – in the USA.

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