

Biratnagar  
ENTREPRENEURS Readiness for Export

The Beginning of Export process .

Compiled by: Rajan Sharma

# Entrepreneurship

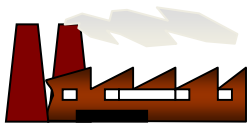
“one **who seeks to reform or revolutionize the pattern of production by exploiting an innovation** of more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a **new source of supply of material** or a new outlet of production.” Joseph Schumpeter

- |                                       |                         |                                |
|---------------------------------------|-------------------------|--------------------------------|
| 1. Innovation                         | technology availability | Marginal efficiency of capital |
| 2. Raise money                        | banking for capital     |                                |
| 3. Collect inputs/RD                  |                         |                                |
| 4. Talent organization                |                         |                                |
| 5. Leadership                         | Private initiative      |                                |
| 6. Sets a firm for optimum operation. |                         |                                |
| 7. New good of quality standard       |                         |                                |
| 8. New methods of production          |                         |                                |
| 9. New market                         |                         |                                |
| 10. New sources of raw material       |                         |                                |
| 11. Reorganizations of process.       |                         |                                |

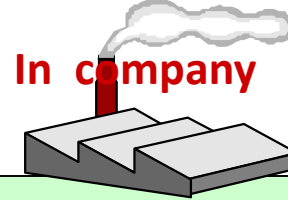
Export in itself is a very wide concept and lot of **preparations is required**.

There are many small and medium enterprises excited to export but they miss to do the necessary home work.

Merely having product or buyers alone will not lead to successful exporting and I hope this step's approach will help guide Nepalese small and medium entrepreneurial to successful export.



**Suppliers**

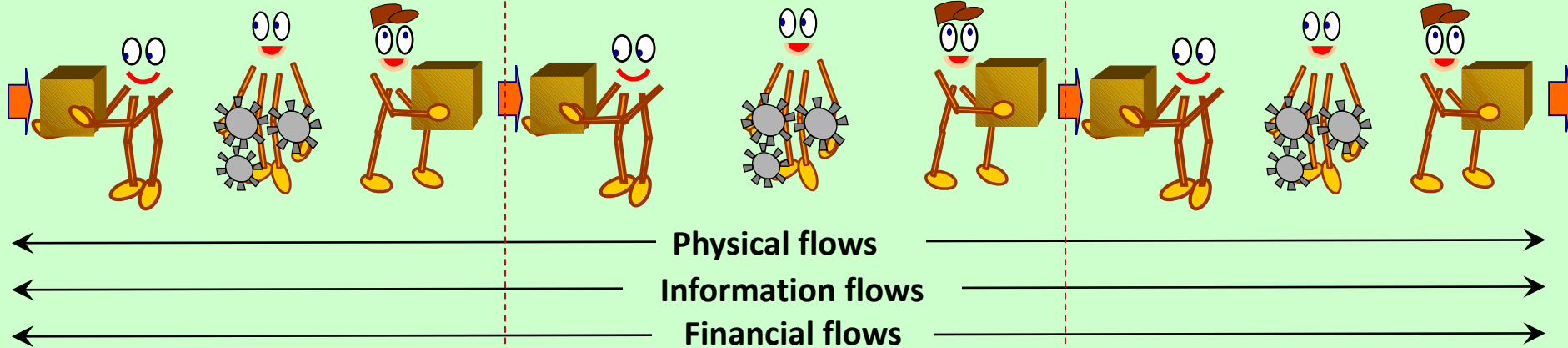


**In company**

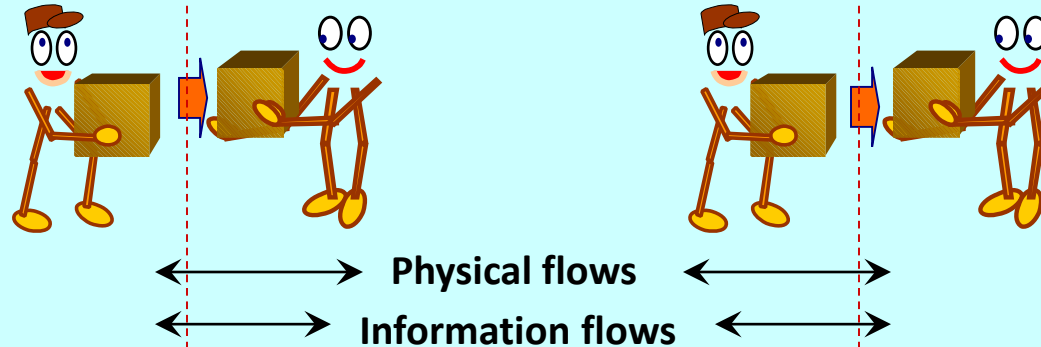
**Customers**



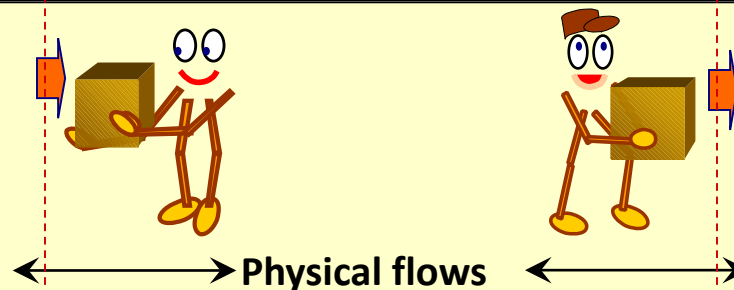
## Supply chain management



## Integrated logistics



## Materials management & physical distribution (incl. Purchasing)



# उद्देश्य

- गुणस्तरीय वस्तु उत्पादन कसरी गर्ने
- निर्यातकोलागी तैयारी कसरी गर्ने

# शुरुवात कहाँबाट गर्ने

- तपाईंले कस्ता किसिमका उत्पादनहरू वा सेवाहरू **मनपराउनु हुन्छ**, **उपभोग गर्नुहुन्छ**, वा कस्ता किसिमका उत्पादनहरू वा सेवाहरूबाट **लाभवान्वित भएको लाग्दछ** ?
- तपाईंले उत्पादन गर्न लाग्नु भएको वस्तुलाई **तपाईंले कतिको रुचाउनु हुन्छ?**
- के तपाईं त्यस वस्तुलाई **किनेर आफैंले प्रयोग गर्नुहोला?**
- के तपाईं त्यस वस्तुलाई **आफ्नो आमा, मिल्ने साथी वा छिमेकीलाई बेच्न सक्नुहुन्छ?**
- के तपाईं आफुलाई **आउँदो ५ देखि १० वर्षको लागि** त्यही वस्तुको व्यवसाय गरिरहेको देख्न सक्नुहुन्छ?
- के त्यही वस्तुलाई नै **बजारमा लेराउन चाहानुहुन्छ?**

# अब ग्राहकको दृष्टिकोणबाट विश्लेषण गर्नुहोस्

- तपाईंको उत्पादनले ग्राहकहरूलाई तसतो के दिनसक्छ जुन बजारमा अरु उत्पादनले दिन सकेका छैनन्?
- तपाईंको उत्पादनले ग्राहकहरूको काम अथवा जीवन कसरी सहज बनाउने छ?
- तपाईंले कस्ता खालका ग्राहकहरूलाई आफ्नो उत्पादन बेच्ने योजना बनाउनु भएको छ?

# उत्पादनको बारेमा ध्यान दिनपर्ने कुराहरु

- के तपाईंले तोकेको मुल्यमा त्यस उत्पादनको वास्तविक माँग छ?
- के तपाईंले त्यस उत्पादनलाई बेचेर नाफा कमाउन सक्नुहुन्छ?



# अभै गहिराईमा बुभ्नुहोस्

- तपाईंको उत्पादनले ग्राहकलाई के नयाँ दिन्छ भन्ने बताउनु होस्
- कसलाई बिक्री गरिने छ? तपाईंको आदर्श ग्राहकको हुन सक्छन् वर्णन गर्नुहोस्
- नाफा कमाउनको लागि तपाईंले कति मूल्य तोक्न पर्नेछ?
- तपाईंको उत्पादन कस्ले बेच्ने हो?
- उत्पादन कसरी बेच्ने योजना छ?
- उत्पादन गर्न कुन विधि प्रयोग गर्नुहुन्छ?
- त्यसको लागि लगानी कंहाबाट जुटाउन हुन्छ?
- कसरी उत्पादनलाई ग्राहककोमा कसरी डेलिभर गर्ने योजना छ?
- बिक्री पछिको सेवा प्रदान गर्ने बारे के योजना बनाउनु भएको छ?

# थप...

- आजको बजारमा तपाईंले बेच्ने उत्पादनको वास्तविक आवश्यकता छ?
- के तपाईंको नयाँ उत्पादन वा सेवा हाल उपलब्ध कुनै पनि भन्दा राम्रो छ?
- तपाईंको उत्पादन तपाईंको प्रतिस्पर्धीको भन्दा के तिन कारणले उत्कृष्ट छ?
- के तपाईंको उत्पादन बजारमा उपलब्ध त्यस्तै अरु वस्तु भन्दा कम मूल्य पर्छ वा गुणस्तरीय छ?
- के तपाईंलाई लाग्छ कि तपाईं उत्पादनको बजारमा उत्कृष्ट उत्पादक बन्न सक्नुहुनेछ?

# गुणस्तरबारे चेतना

- भविष्यमा पनि ग्राहकहरूले तपाईंको उत्पादननै खरीद गराउन वस्तुको गुणस्तर कायम राख्न **महत्वपूर्ण** हुन्छ
- गुणस्तरीय उत्पादन **दीर्घकालीन नाफाको** हिसाबले निकै महत्त्वपूर्ण हुन्छ
- गुणस्तरीय उत्पादनहरूले हामीलाई आफ्नो उत्पादनलाई **राम्रो मूल्यमा** बेच्न मद्दत गर्दछ
- उद्यमीका लागी महत्त्वपूर्ण सुझावहरू
  - उत्पादनको **गुणस्तर र मूल्य** सुधार
  - उत्पादनहरूलाई **आकर्षक** बनाउने
  - उत्पादनको **मार्केटिंग अभियान** प्रभावकारी बनाउने
  - उत्पादन को **आधारभुत आकर्षणलाई** अझै सुधार गर्ने

# थप आवश्यक मुद्दाहरू

- कानूनी मामिलाहरू
- समय
- लागत
- प्रक्रिया
- कागजात
- टेक्नोलोजी वा श्रम
- मार्केटिंग
- गुडविल
- विक्रि प्रविधी
- संसाधनहरूको सबैभन्दा प्रभावकारी उपयोग (जग्गा र पैसा र श्रम र मेसिन)
- यातायात आदि

# अन्तमा

- कुनै उत्पादन सफल बनाउनका लागि ध्यान दिनपर्ने कुराहरु
  - उपयुक्त उत्पादन
  - उपयुक्त समयमा
  - उपयुक्त ग्राहकलाई
  - उपयुक्त बजारमा
  - उपयुक्त कम्पनीले उत्पादन गरेर
  - उपयुक्त मानिसहरूलाई बेच्नुपर्दछ।

तपाईंले निर्णय गर्नु पर्ने कुरा जम्मा के हो ...  
के यो उत्पादन तपाईंको लागि उपयुक्त छ?

# The 12 Rights of Supply Chain Management:

- To obtain the Right Product/s of the
- Right Quality at the
- Right Price from the
- Right Supplier/s in the
- Right Quantity delivered to the
- Right Place at the
- Right Time using the
- Right Supply Chain and the
- Right mode delivered in the
- Right Condition with the
- Right Documentation at the
- Right Cost.

The responsibilities of the border agencies in trade facilitation. The Freight Forwarders, the customs brokers, warehousing companies, quarantine control, immigration, bankers and security agencies.

Focus on end to end traders and manage risk in the flow of goods, information and finance with the right Data analysis and sharing mechanism to access the Security concerns.

# Steps for Export

- 1. Decide what to sell and where to sell.
- 2. Establishing an Organization
- 3. Opening a Bank Account
- 4. Selection of Markets
- 5. Geographic areas that your exports will fall majorly under following:
  - a. European Union, b. USA, c. China, d. Australia and New Zealand, e. Rest of the world

- 6. Have a plan, i. Your People, ii Your Capacity
- 7. Labeling, Packaging, Packing .
- 8. Sampling
- 9. Pricing/Costing/ insurance
- 10. Inco terms.
- 11. Your Knowledge : Visit potential new market if possible or review literature available in the net or trade related webs. Showcasing your products at trade fairs and building new contacts are some very important activity.



- 12. Choose a route to market :You can do one of four options :
  - a. Sell directly, b. Use a distributor , c. Use a sales agent ,d. Create a joint venture.
- 13. Find the opportunities
- 14. Start marketing
- 15. Negotiation with Buyers.
- 16. Means and Mode of Transport.

- 17. Understand the administration involved.
- 18. Export documentation
- 19. Processing an Export Order
  - i. Confirmation of order, ii. Procurement of Goods, iii. Quality Control, iv. Finance.
- 20. Transport logistics and Insurance

- 21. Delivery
- 22. Payment process.
- 23. Success

Congratulations!! Now you have successfully become an international exporter. The work doesn't stop here. Now you need to increase your chances of repeat business and become a reliable international exporter with a solid brand.

## Documents and its function for Sea movement

S/No:	Documents needed for Export	No of Docs.	Function of Document and issuing Body
1	Letter of Credit/Advance payment certificate and Covering letter of bank	3 to 1	Contract between Buyer and seller with bank of Exporter and importer in between. Bank of the Importer or the nations bank
2	Commercial Invoice (Description of Goods and value per unit and total.	3 original and several copies	Sort of Bill with description of goods ,its unit price ,total price. This is the main document for getting the payment. Prepared by the Seller:
3	Packing list (Volume and weight break of each Pc)	3 original and copies	Detail of the packing per Package with contains with in. Total Pcs, Package and dimension. Prepared by the seller.
4	Pan /Vat/EXIM CODE	1 copy	Registration with the governments tax department. Department of Customs. Government Authority
5	Company registration certificate copy	1 copy	The proof that the company has been registered with the Government. Government Authority
6	Authority Letter	1 original	For permitting the Freight Forwarder or Custom Broker for clearing the goods on behalf of the exporter. Prepared by the Shipper

# Cont....

7	CTD	1 set of 8 pages	Form mentioning the details of the goods for the purpose of transit from another country to third country. Prepared by Freight Forwarder
8	Yellow paper (Custom declaration) SAD	1 set of 4 pages	Master Document of Government with all details of export. Prepared by : Freight Forwarder or Custom Broker
9	Currency declaration Form NOT needed during export but while negotiation.	1 set 2 pages	For the purpose of the Federal Reserve Bank for record of foreign currency transaction. Prepared by the freight Forwarder
10	Insurance	1 copy	Proof that the goods have been insured as per the contract between the buyer of seller .Issued by :Insurance Company
11	Transport Document	3 original and some copies	Receipt of goods by the Airlines or shipping liner, Freight forwarder or MTO. Issued Freight Forwarder or MTO or the carrier
12	Undertaking and Authority for Kolkata Customs and port	1 page original	Special undertaking for Indian government for handling at port and delivery of goods to Nepal. Prepared by Freight Forwarder endorsed by Shippers Bank.
13	Certification of Origin ( Chamber ) REX/Special requirements like quality compliance ,SPS etc.	1 set of 7 pages	Proof that the goods have been produced in the country issued by Nepal Chamber of Commerce. By Chamber of Commerce: quality assurance

## **Some special documents needed based on the type of Export and issuing body:**

- Handicraft Certificate (for handicraft Goods) handicraft Association
- Visa in case of garments export issued National Productivity Organization
- Plant Quarantine certificate in case of Plants/Food items( Food technology Office)
- Permission from department of Forestry in case of Forest product \*
- Certificate from Agriculture department in case of agro products.\*
- Sample goods and special goods permission from department of Customs ie: diplomatic /Personal effects\*
- Human remains (Doctors certificate, endorsed by Home Ministry)
- Fumigation certificate for Agro products or wooden goods (certifying body)
- ATA CARNET (Ministry of Commerce and Industry)
- GSP/Derogation ( Trade promotion centre)
- Quality Certification like ISO, HACCP, Health and sanitation certificate, child labor, Fe Trade, Environment etc

**Special Bank Documents :** Bill of exchange, Beneficiary undertaking etc

**Transport Document:** OBL, HBL, MAWB, HAWB, FCR, HOC, RCN,etc.,

# Segregation of Documents as per following:

- Negotiation Document (Contract)
- Bank documents
- Customs Documents
- Documents in Transshipment points (CCU)
- Special documents as per commodity
- Special certification required by Importing country.
- Transport Document.
- Insurance ?

# Major Documents

- Commercial Invoice
- Packing list
- Custom declaration SAD
- L/C or Advance Payment Certificate
- Insurance ?
- Transport Docs.
- Special document as per commodity Quality compliance CoO etc.
- Importing countries requirement document.ie CTD,REX(GSP)



# Transport Document :

- Different type of transport document is issued based in the mode and means for transportation:
- 1.FCR
- 2.HBL
- 3.HAWB
- 4.MAWB
- 5.OBL
- 6.Combined transport bill of lading
- 7.MTO Document

# Special tips.

- • Keep in regular contact with your customers and get feedback to improve your offer.
  - Deliver on time and don't keep people waiting. If delays cannot be avoided make sure you communicate early and often with your customers and keep them updated on progress.
- Keep an eye on other potential customers so that you can grow your sales. Continue with your promotional activity and keep visiting the tradeshow.
- Now that you are successfully exporting into one market use everything that you have learnt and apply that to another new market. Explore adjacent countries or those with similar characteristics. You already have a very good understanding of what it takes to become successful so your exploration into additional markets should be quicker and potentially easier for you to continue with your expansion and growth.
- International shipping is not as simple or as inexpensive activity needed for export deliveries.

You also have added complexities along with getting paid, documentation and logistics to think about. All these are the work of logistic service providers who can help do it all for you.

# Consolidation

- What is consolidation and how it helps small entrepreneurs.

# Finding Buyers

- Associations
- WEB
- TEPC
- ITC
- DIGGING for GOLD (CBI ,Netherlands)
- Personal contact.
- Freight forwarders

# Quality Compliance

## MANDATORY ,Voluntary and Special Requirements

- HACCP
- Quarantine, Fumigation,
- Environmental,
- Labor,
- CSR,
- Ethical CODE,
- ISO.

# Use of Logistic Service Providers and its benefits to entrepreneurs and government.

1. Better monitoring; (Right document, perfect procedure compliance, right cost, right information.)
2. Increase in revenue
3. Better risk management
4. Right tax collection
5. Reduction on money laundering
6. Increase on foreign currency earning when export is low
7. Increase predictability , accountability and Transparency
8. Better coordination among stake holders government and private.
9. Help SMEs with consolidation and right logistic cost.
10. Better coordination along the Value Chain

# What are the hurdles ?

1. Resistance to change on governments approach to traders and trade .
2. Bad negotiation capacity due to know all feeling .
3. Consultant with wrong people and stake holders .
4. Private sector resistance to change context and fear of loosing business .
5. Wrong Leasing practices of developed infrastructure :
6. Least priorities to transit cargo
7. Wrong interpretation of International INCO Terms .
8. Agreement under treaty for putting barriers to entry of goods at transit point .
9. Non acceptance to free flow of information by electronic means like National single window and connection to regional single window .
10. Revenue oriented Financial policy
11. Non acceptance of private sector and governments agencies to increase Transparency, accountability and predictability :
12. Protections in the pretext of security and illegal trade .
13. Coordination among border agencies.
14. No dispute settlement mechanism for traders and stake holders.

# INCOTERMS® 2010 RULES

## CHART OF RESPONSIBILITY

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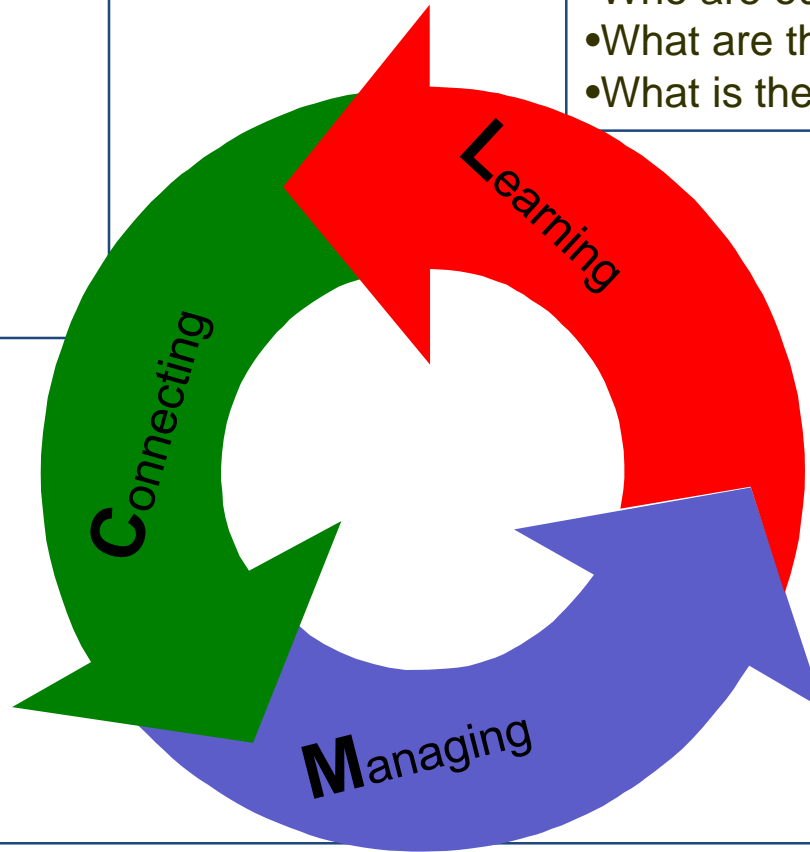
# The CRM Framework

## **Connecting** in relationship with the customers:

- What is the target relationship?
- How to develop the relationship?
- How to share control?

## **Learning** to know the customers:

- Who are our customers?
- What are the customers' expectations?
- What is the customer's value potential?



## **Managing** the programme for business outcomes:

What is our identity? How to organise for CRM?  
How to execute the change? How to measure performance?

## Who

- ... benefits from this?
- ... is this harmful to?
- ... makes decisions about this?
- ... is most directly affected?

- ... have you also heard discuss this?
- ... would be the best person to consult?
- ... will be the key people in this?
- ... deserves recognition for this?

## What

- ... are the strengths/weaknesses?
- ... is another perspective?
- ... is another alternative?
- ... would be a counter-argument?

- ... is the best/worst case scenario?
- ... is most/least important?
- ... can we do to make a positive change?
- ... is getting in the way of our action?

## Where

- ... would we see this in the real world?
- ... are there similar concepts/situations?
- ... is there the most need for this?
- ... in the world would this be a problem?

- ... can we get more information?
- ... do we go for help with this?
- ... will this idea take us?
- ... are the areas for improvement?

## When

- ... is this acceptable/unacceptable?
- ... would this benefit our society?
- ... would this cause a problem?
- ... is the best time to take action?

- ... will we know we've succeeded?
- ... has this played a part in our history?
- ... can we expect this to change?
- ... should we ask for help with this?

- ... is this a problem/challenge?
- ... is it relevant to me/others?

- ... should people know about this?
- ... has it been this way for so long?

**“They themselves are makers of themselves”**

- **Any Questions ??????**

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***Thank you!!!***

