

The challenge...

Rising competition and sluggish growth at home are forcing more and more businesses to consider exporting or, if already active at an international level, to diversify into new products and/or markets.



Most export strategies revolve around the issues of:

- Which regions/countries are worth pursuing and spending money on?
- How should the available product range be tailored so as to take advantage of the opportunities present in the market(s)?
- Which export opportunities should we focus our attention on, given the constraints of time, money, manpower and/or expertise?

Achieving international success is rarely a simple process. International trade policymakers and practitioners alike are faced with a great deal of uncertainty, which makes strategic planning challenging. Both are preoccupied with how to allocate their resources wisely and how to design export marketing initiatives that stand the greatest chance of delivering long-term value. Ideally, such decisions should be based on fact-rich intelligence derived from academically rigorous and scientific research methods, but they should also reflect real-world pragmatism.

What are typical questions asked by those with an international portfolio?

“My client wants to know which markets in Africa hold the most realistic opportunities for motor vehicle tyre exports. How should I go about sourcing such information?”

“Our CEO is visiting India next month. How should he structure his visits to government and private concerns so that he comes away with an understanding of the most important industries and demand patterns in the country?”

“Our company wants to expand its existing product range and diversify into new market regions. Which products and markets would be realistic candidates for in-depth market analysis?”

“Our department needs to coordinate an international trade mission aimed at both existing and potential exporters in South Africa. Whom should we approach and what product categories should we focus on?”

“We wish to optimise our company's operations in various export markets. What are the key factors to consider when deciding which new offices to open and which of the current ones to overhaul? “



TRADE DSM Navigator™ – Expanding South Africa's export horizons

Why is it difficult to choose viable export markets?

The complexity and ever-changing nature of the international trade environment have given rise to untold research reports, analyses and commentaries, and it is easy to feel overwhelmed in the face of such 'information overload'. How is it possible, many people ask, to assess all the data and information on offer in order to compare markets in terms of:

- country risk,
- logistics costs,
- trade barriers, and
- size and growth potential?



Few businesses have the time or resources to devote to all-encompassing market studies. Not surprisingly, market selection is often a hit-or-miss affair, with the resulting export returns being disappointing.

What if data could be distilled into meaningful intelligence – at the click of a button? Introducing the TRADE DSM Navigator™



TRADE, a specialist research entity at the North-West University in South Africa, is helping organisations to streamline their market selection decisions and focus their export efforts. Using a scientifically sound methodology that systematically scans and screens international trade and market data, TRADE has developed the TRADE DSM Navigator™, a tool designed to identify pre-qualified, realistic export opportunities:

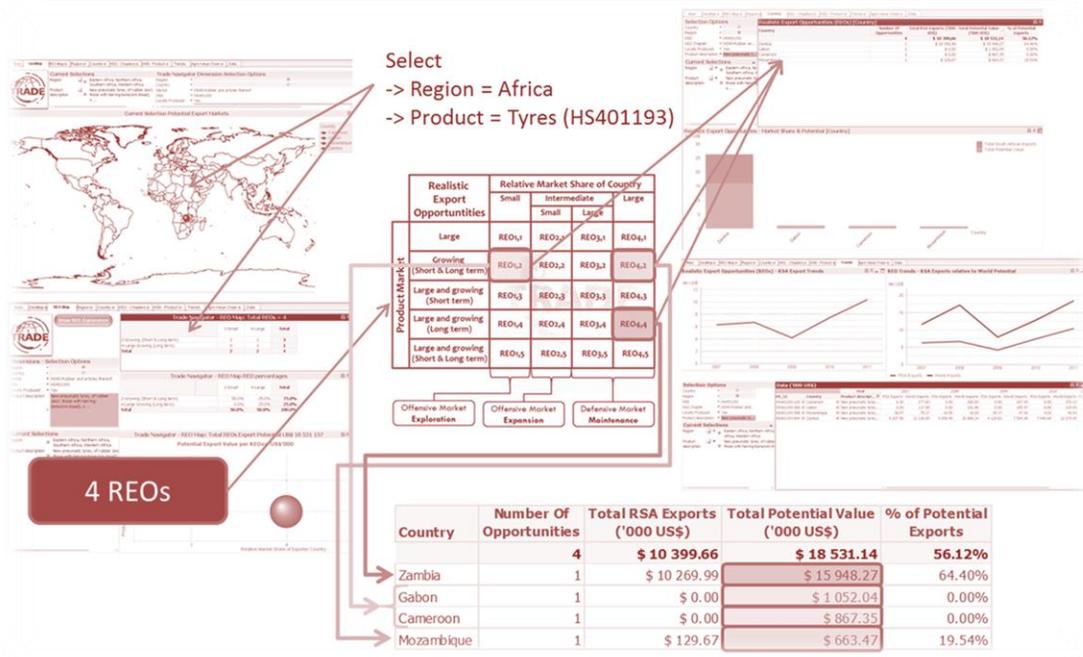
- per HS-6 product level (or other classification system, e.g. SIC)
- per individual product sector
- per industry sector (e.g. agro industry)
- per potential export market (e.g. the Netherlands)
- per potential export region (e.g. Africa or SADC)

The methodology has application for active and aspiring exporters, as well as trade promotion officials operating at national and provincial level.

TRADE DSM Navigator™ – Expanding South Africa's export horizons

How does the TRADE DSM Navigator™ work?

In a nutshell, the TRADE DSM Navigator™ evaluates and screens all worldwide country and product combinations, using four intelligent 'filters'. Drawing on a number of qualifying criteria, each filter sequentially eliminates less realistic or promising product-country combinations (or export opportunities) in the particular market being assessed, and then categorises and prioritises the shortlisted realistic export opportunities (REOs) in different positions on a grid, known as the REO Map™.



Why use the TRADE DSM Navigator™?

- It is extremely rigorous and thorough in its approach. It is the only market selection methodology that includes all possible product-country combinations in the world at an HS-6 product level.
- It is much more time-efficient than traditional approaches to market and product selection.
- It can be loaded onto individual computers and accessed via an easy-to-use interface, making it portable and convenient.
- It helps to inform export growth strategies in *existing* and/or *new* markets.
- It encourages the efficient allocation of resources, thereby helping organisations to advance their export initiatives in a timeous and cost-effective manner.

For more information, contact:

Prof Wilma Viviers, leader of the TRADE research entity

Tel: +27 (0) 18 299 1445

Fax: +27 (0) 87 231 5540

Email: wilma.viviers@nwu.ac.za

www.nwu.ac.za/trade

Notes:



NORTH-WEST UNIVERSITY
YUNIBESITHI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOM CAMPUS

®