

ENSURING A BALANCED PORTFOLIO WHEN EXPORTING

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Of course you want to make money from exporting, or at least breakeven. But you probably also want to achieve some other business objectives. To be really profitable, you will want to use a *portfolio* approach to export market selection. By “portfolio” we mean the various types of client contracts that your firm has. You will want to balance the types of markets, clients, and projects to achieve some or all of the following:

- Minimize your vulnerability to changes in markets by:
 - ⇒ diversifying your client base so that you have a mix by type (private sector or public sector) and/or size (small or large)
 - ⇒ diversifying your target markets so that some are high return, though high risk, and some are low risk/return
 - ⇒ offsetting increased domestic competition with contracts in less competitive markets
- Maximize the use of your resources (especially your time) by:
 - ⇒ balancing contracts that require direct client contact with contracts that you can work on as you travel (e.g., reports)
 - ⇒ finding new markets for services you currently offer in order to extend their life)
- Maximize client loyalty and retention by:
 - ⇒ being available to work with clients in their export markets
- Maximize your financial resources by:
 - ⇒ obtaining contracts in stable or “hard” currencies (often US dollars)
 - ⇒ balancing discounted contracts with full fee clients
 - ⇒ balancing markets where competitors’ fees are low with markets where the accepted rate for your services is above average
- Enhance your image as a worldclass service provider by:
 - ⇒ gaining experience in new markets that helps you innovate
 - ⇒ increasing the number of markets with which you have experience
 - ⇒ being the first into a market with a particular service

Profitable service exporters have a balanced portfolio of markets, clients and projects. How would you describe your ideal portfolio of client work? How closely does your current work match that ideal? If there are gaps, what could you do to close the gaps?
quotations for work are made.