

Business Matters

UKs leading business magazine

Your lifeline to moving forward with international trade

13 May 2020 - [Cherry Martin](#)



International trade is on pause and the situation looks to be getting more complicated on a daily basis.

For many international businesses, and businesses looking to make their mark in new territories, it's not going to be as simple as 'life getting back to normal' when the Covid ban on travel is lifted.

Goods held at depots worldwide that have perished have cost industries millions of pounds, and the same for non-perishables that are simply waiting to get to their purchaser but are held in a backlog not knowing if the company they are intended for will have survived the crisis.

These situations have meant that banks, lenders and insurance companies are all assessing risk in a brand new way. Money withheld from these core lenders is re-balanced only by companies refusing to pay their bills in a bid to protect their cashflow, adversely affecting others down the line. Contracts are being rescinded and this state of stillness has bred a desperate need for trade and money to flow again. Banks are working to guarantee payment risks across the board for private sector imports but financing trade flow across the globe is high risk in certain areas.

Now is the time to create a new business plan moving forward. Your target markets have changed, your suppliers and your competitors will all have been affected in some way by the Covid crisis and you must adapt your approach in order to succeed.

Business Matters speaks to international trade and marketing expert Allyson Stewart-Allen, advisor to global brands including Burberry, Nike and HSBC for her thoughts to get you moving again ...

Create a plan, A, B, C through to Z.

Certain restrictions of movement are indeed being relaxed, however some countries may opt to stay closed, as indeed New Zealand is, placing greater restrictions on travel and the movement of goods for a long time yet to come. Check where your goods are sourced – do you have other options in the interim? You need to make backup plans with multiple options to react and survive.

How can a business best prepare and remain focused?

Re-write your business plan to take into account the above challenges and share it with everyone in your team.

Should you communicate as much with your clients even if your messages are uncertain at this time?

Absolutely. You have to appreciate that normal time scales have gone out the window and the person may actually not have the answer you're looking for right now. But keeping that level of conversation open to be solution-focused will lead to higher chances of finding a solution that's suitable for both parties while managing expectations during the process. You must be honest and set out clear boundaries for your abilities and limitations before you continue to trade.

Those companies that support each other by open and honest conversations during this incredibly testing time will only seek to further strengthen the bonds you have. In fact if anything, between your relevant clients and prospects, you might find that your honest approach in saying 'hey things are a bit shaken up right now, but we're moving forwards by doing X,Y and Z' only seeks to generate a greater engagement between you.

Can you still afford to trade as before?

Do you have the cashflow to stem you over times of late payment? Instead of functioning on 30-day payment agreements, international businesses might now want 90 days, which in business days is equal to 4.5 months. You need to have your cashflow worked out seriously in advance, whether it's from your own bank, savings locked up or taking the decision to work under a percentage pre-order to tide you over until the remaining percentage is paid on completion.

Don't forget to take into account that even though many insurance companies have refused to pay out during the crisis, their premiums are likely to rise post-crisis due to the extended risk factor. You must price in these costs, especially with shipping insurance to ensure that you're covered.

What can people do with some immediacy to extend their product offering to cover the new delivery times?

Offer downloadable extras? And if you weren't showing delivery status updates as part of your service, perhaps now is the right time to do so? Consider what other value-added services you can offer such as warranties, guarantees, access to premium content for your customers to learn how to get the most from your products or services. You can also strike new partnerships with companies in adjacent sectors to create bundles that solve a wider range of problems your customers are looking to solve.

How plausible is it to look to renegotiate trade contract terms with suppliers now?

Anything is possible now in this Covid climate. I would suggest investigating all of your options at this time while suppliers are seeking new ways to make money. Covid is creating one of the most innovative business climates we've seen for some time.

Appreciate that one size does not fit all

Did it ever? Now more than at any other point in your business, an empathetic yet solution-focused approach needs to be delivered to each unique partner/client to help each other through. Adapt and conquer applies for every possible facet of your company right now and for that of your client's too.

What is the essence for survival of international trade here? Is it patience and time? Cashflow?

It's a combination of things. First, it's about understanding the business culture of your customers so you can be effective as a negotiator, influencer and communicator. Then it's about finding creative ways to solve – and own – the problem they're trying to solve by using your products and services. Thinking laterally and looking for partnerships that solve the wider issue will engender long-term loyalty and with that, repeat business. Finally, it's about looking at how you can innovate by constant discussion with your customers to discover what are some other applications or needs you can fulfill that draw on your current capabilities and resources.

What else can you be doing in the meantime to ensure you hit the ground running when businesses begin to reopen?

Now is the time to revisit your growth strategy. This might include refreshing your website, implementing a social media strategy, reformulating your value proposition. In terms of securing international trade agreements while the final signature is on hold – no air travel equals no execution of the final parts of meetings and due diligence that any firm could and should take – now is the perfect time to do your research online to uncover what new challenges your customers will face post-Covid and how you can best respond to the business opportunities that naturally will arise.