

## ***Internationalism isn't just for the mighty***

We've all heard the prophets of doom with their views of how terrible this year is going to be. It's almost as if there's no point in getting out of bed in 2009; nothing anyone can do is going to make any difference. Well that really doesn't need to be the case. Yes we know that it's almost imperative that costs are kept under the tightest control and managing the cash flow very carefully will keep the finance team busy but for those people who drive businesses, there's no point is banging for ever at doors that are never going to open. Apart from anything else, it can become very depressing. Your traditional markets and sectors aren't generating as much business as you need? Can't persuade new customers to switch their allegiance to you? Perhaps the answer is to think laterally? Conventional wisdom says that selling your existing products to new customers (in different territories perhaps) or selling new products to your existing customers are strategies which have a reasonable chance of being successful.

What does that mean in practical terms for the average furniture company? Well the first thing is to do some research into the size and characteristics of likely fresh markets. These might be underexploited geographical regions of your own country or export markets but perhaps the economic turmoil has provided an opportunity for you exploit your home currency which has fallen in relative terms to that of some interesting target territories? Your products might just have become economically attractive to those who previously found them too expensive. The perceived wisdom is that breaking into new export markets is usually found in the 'too hard to do' file and can take many years and big budgets to succeed. But many markets have become receptive to more homogenous and internationally styled products and can find profitable outlets in foreign markets if the products are sensibly priced, manufactured to a high standard and available on short lead times. The key is to keep the offering of colours, finishes and sizes as restricted as you can and back the marketing efforts with a slick website, simple well designed literature featuring quality digital images and seek out some really positive relationships.

How to find the customers? Well its worth remembering that exporters can often generate benefits for their customers that local manufacturers are loathe to offer. Remember that you're not trying to achieve a massive market share; just to replace some lost home sales. So you might not mind granting local exclusivity based on the achievement of quite modest volumes. But the products do of course have to be good. There's no point in just supplying the same styles and models which are no doubt perfectly adequately supplied by the local manufacturers – even at lower prices. Much better to seek out some newer designs with innovative features and imaginative USPs. There are there some great independent product designers who would jump at the chance to give you just what you need at a modest level of investment when compared with the opportunities available. And you never know, might some new designs just pep up your home sales' efforts as well?

And what about service levels? Each market sector has its own demands. Retail customers respond to fast delivery but where there's a project involved, the supply chain timing needs certainty more than very short lead times. Its certainly true that furniture sales do rely on customers – and their advisors – being able touch and feel the goods which calls for

investment in show products. Here again, limited breadth of product ranges helps limit the cost and concentrate the mind.

The other choice you'll have to make is what type of customer you're going to seek out. In your home market you've probably set a pretty rigid policy of the type and number of customers you'll supply so as not to upset your established customers. Well one of the luxuries of working in export markets is that you can usually afford to be more relaxed and go with the buyers who demonstrate serious interest in you and your products without being too fussy about their route to market or sales policies. After all, your market share will probably be too small for your customers ever to bump into each other.

What about the other approach? Rather than looking for new customers all the time, why not think about the type of products – and services – your existing customers might additionally buy from you? Distributors tend to like to 'pigeonhole' their suppliers but there's no reason why you can't offer them associated items. Home delivery services for your products? Task lighting from a desk manufacturer? Co-ordinated bedding from a bed supplier? They'll generally be range extension opportunities available which would be worth testing out.

And writing as a consultant to the industry, it's often a good idea to turn to someone from outside your company either to take a look at the situation today and then to come up with some ideas for consideration or to facilitate an internal debate or brainstorming which can lead to a shortlist of opportunities worthy of in depth consideration. Although there's no way to accumulate without some speculation, good consultants are used to working within restricted budgets especially in difficult economic times.

So don't despair. The answer to tough traditional markets can be to look for pastures new where buyers can satisfy their constant demands for the new products and services to offer their customers.

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