

RESPONDING TO A TRADE LEAD



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TRADE LEADS

Do I respond to a solicited and unsolicited trade lead in the same way?

Do I respond to trade leads from all countries in the same way?

Should I provide prices in my first response?

Solicited /Unsolicited Trade Lead

» Solicited

- Web site
- Int'l Trade Show
- Foreign Sales Rep
- Mailings
- Samples
- Hosting int'l visitors
- SCAMS!!

» Unsolicited

- Web site
- Domestic trade show
- Domestic advertising
- Int'l visitor
experiences your
product/service
- SCAMS!!

TRADE LEADS

» Do

- Respond in a timely manner
- Ask questions which will help you further know the customer and needs
- Ask for US references
- Discuss logistics and finance
- Consult with your attorney
- Ask questions
- Specific industry questions
- Sniff test

» Don't

- Respond with your price list
- Give away trade secrets
- Assume one communication will result in a sale
- Sign an unknown customer's contract
- Give away the farm
- Think every lead is legitimate

A Trade Lead Response
May Result in a
Quotation
or
Pro Forma Invoice

**PRO FORMA
=
QUOTATION**

Pro Forma

- » **Importance cannot be overstated**
- » **Describes how you will perform**
- » **Summarizes all correspondence**
- » **Does constitute an offer to sell**

The more information you provide to your potential buyer - the fewer problems there will be in your international transaction

Pro Forma should always be used when:

- » Destination country requires an import license**
- » Documentary credit requested by the seller**

Be Aware of the Full Costs of Selling Internationally

- » Marketing
- » Extra Packing & Special Marking of your Packages
- » Land Freight
- » Pier Delivery
- » Demurrage
- » Cost of Loading on Vessel (When applicable)
- » Heavy Lift Charges (When Applicable)
- » Country Required Inspection
- » Cost of Air or Ocean Freight

Be Aware of the Full Costs of Selling Internationally

- » **Freight Forwarder Fee**
- » **Consular Fee**
- » **Insurance**
- » **Payment method fees**
 - Advising Bank (U.S. Bank)
 - Opening Bank (Foreign Bank)
 - Wire Transfer
 - Credit Card
 - Currency exchange
 - Export Insurance/financing
- » **Courier Fees**
- » **Communication (Fax, Phone, Etc.)**

Suggested Items to Include on Pro Forma Invoice

- » **Date**
- » **Unique pro forma invoice number**
- » **Seller Company Name & Address As You Want it to Appear on the Documentary Credit**
- » **Buyers Company Name & Address**
- » **Accurate Listing of Merchandise Including Weights & Dimensions (metric)**
- » **Unit Price & Total Price**
- » **Currency You are Quoting (USD, CAD, etc.)**

Suggested Items to Include on Pro Forma Invoice

- » **Port/Place of Export, Port of Import**
- » **Type of Transportation - Land, Air, Ocean**
- » **Terms of Shipment - INCOTERMS 2010**
- » **Terms of Sale (Payment Terms)**
 - Open Account, Documentary Credit, Documentary Collection (what type), etc.
- » **Validity of the Pro Forma Invoice**
- » **Estimated Shipment Date**
- » **Bank charges for the account of _____?**

PRO-FORMA INVOICE

Shipper:
Turf Safe, Inc.
123 Green Ave.
Ames, Iowa 50010 USA
Phone 1-515-555-4087
Fax 1-515-555-4088

Date: July 30, 2011
No: PI003
Reference #
Customer P.O. # Verbal
Terms of Payment
Documentary Credit
Payable at Sight, Freely Negotiable

Sold To:
The Lawn Care Co.
107 Brussels Straat B
1720 Groot-Bijgaarden
Brussels, Belgium

Product to be shipped via air
Shipment from Any U.S. Airport
Place of discharge - Brussels, Belgium

ITEM	QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
TM.WSP	20 cases	Turf Mark WSP 400 packets Blue spray indicator colorant	15.70/packet	6,280.00
TM.Gal	2 cases	Turf Mark Liquid 75 liters	10.27/liter	770.25
GL.2.5	2 cases	Green Lawnger 190 liters Permanent green turf colorant	9.83/liter	1,867.70
MJ.2.5	10 cases	Mulch Magic 150 liters Permanent mulch colorant	14.25/liter	2,137.50
		Export Preparation		500.00
		Total FCA Ames Iowa		USD11,555.45

Jan Dandy, President

Pro forma invoice is valid for 90 days from date of this invoice. Estimated Date of Shipment – 30 days from receipt of acceptable Documentary Credit. All banking charges outside the U.S. are for the buyers account. Interpretation of trade terms - Incoterms® 2010.

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MJ.2.5	10 cases	Mulch Magic 150 liters Permanent mulch colorant	14.25/liter	2,137.50
		Export Preparation		500.00
		Inland Freight		875.00
		Handling		356.00
		Total FCA Chicago, Illinois		USD12,786.45

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Date: July 30, 2011
No: PI003
Reference #
Customer P.O. # Verbal
Terms of Payment
Documentary Credit
Payable at Sight, Freely Negotiable

Sold To:
The Lawn Care Co.
107 Brussels Straat B
1720 Groot-Bijgaarden
Brussels, Belgium

Product to be shipped via ocean
from any North American main port

Place of discharge - Port of Antwerp

ITEM	QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
TM.WSP	20 cases	Turf Mark WSP 400 packets Blue spray indicator colorant	15.70/packet	6,280.00
TM.Gal	2 cases	Turf Mark Liquid 75 liters	10.27/liter	770.25
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MJ.2.5	10 cases	Mulch Magic 150 liters Permanent mulch colorant	14.25/liter	2,137.50
		Export Preparation		500.00
		Inland and Ocean Freight		1320.00
		Handling		356.00
		Total CPT Antwerp		USD13,231.45

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Date: July 30, 2011
No: PI003
Reference #
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Terms of Payment
Documentary Credit
Payable at Sight, Freely Negotiable

Sold To:
The Lawn Care Co.
Brussels Straat B
1720 Groot-Bijgaarden
Brussels, Belgium

Product to be shipped via ocean
from any North American main port

Place of discharge - Port of Antwerp

ITEM	QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
TM.WSP	20 cases	Turf Mark WSP 400 packets Blue spray indicator colorant	15.70/packet	6,280.00
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MJ.2.5	10 cases	Mulch Magic 150 liters Permanent mulch colorant	14.25/liter	2,137.50
		Export Preparation		500.00
		Inland and Ocean Freight		1320.00
		Handling		356.00
		Insurance		97.00
		Total CIP Antwerp		USD13,328.45

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International Trade Office

Supporting Iowa industries to be more innovative, competitive and profitable by assisting in development and/or expansion of international markets for their company's products and/or services.



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