

## Case study

# Speeding up the learning curve for a new market

A company taking on new markets needed to be able to give truly competitive quotes; they engaged us to help them learn quickly how to accurately assess their costs

## Company background

- An engineering company had been successful in its home market integrating and installing a broad portfolio of goods and services from various suppliers in electro-mechanical to process industries
- Success in their industry required being able to price tenders quickly and accurately while having a firm handle on the costs and without subjecting the company to unacceptable commercial pressures

## Project background

- The company wanted to follow existing customers around the world and reduce their reliance on the health of their home market
- Before spending considerable time and effort bidding for work in new markets, the company wanted to compare their attractiveness in terms of market size, competitive landscape, regulations, and cost base
- Key elements of the cost base to find for each country were the cost of financing and the costs of importing a potentially wide variety of goods, each depending on regulations, customs duties, tax, currency, etc. We were brought in to help with these elements of the exercise

## How we helped

- We worked with the company to create a handful of project types with different mix of goods vs. services, both local and foreign, and goods that fall under different duty rates & regimes
- We received external advice from accountants on applicable regulations related to corporation tax, licensing, employment law and social security, as well as record keeping requirements
- We also reviewed the published tariff schedules and customs procedures of the countries that have an impact on documentation and tax as well as effects on logistics processes
- With this, we developed two levels of estimates – simple heuristics for preliminary estimates for deciding whether or not to prepare a bid on a new tender, and a more detailed database of bid-estimate costs of duties and logistics costs for Ex-Works or FCA procurement of specific goods

- As these were new markets for the company, they were also unsure of the best source and cost of financing for projects with unfavourable payment terms
- We worked with the finance team to communicate to their banks the nature and risk profile of the work the company was seeking in these new markets, and received informal feedback that allowed us to create internal guidance on the cost of financing, which the finance team could incorporate into bids
- We have now used the same logic to develop Exabler, a more general-purpose tool to get quick access to customs duties, logistics costs, and financing costs

## Benefits delivered

- ✓ Reusable tools for sales and cost estimating for bids to these new countries
- ✓ Better understanding of the profitability and cost base underlying headline market prices
- ✓ Saved time that they otherwise would have spent gathering data on an ad-hoc basis



Gradually improve cost estimates as you proceed

## Critical business events on your export journey

- 1** Explore the Market: Understand the market with preparation and research - knowing what sells well and why is fundamental. Narrow down your target markets by ease of export versus your product suitability. Consult our 'Ease of Exporting index' for a steer.
- 2** Negotiate the Contract: Pricing the deal and getting the terms right can be decisive to the sale and critical to your business. An ability to move quickly is paramount, set up your calculations and get suppliers in line - know your export and financing arrangements well before delivery.
- 3** Navigate the Delivery: Celebrate your success but immediately plan to final delivery. Laying out key milestones, perhaps even tied to finance, and communicating to responsible stakeholders and export service providers will mitigate risk. Don't forget documentation!
- 4** Streamline and Repeat: The importance of relationship management with your buyer and the potential to win repeat transactions can't be underestimated, this is where you make your real return through streamlining and standardising activities. Invest in relationships.

### Exabler™ ([www.exabler.com](http://www.exabler.com))

Our proprietary tool gives directional guidance to help you fully cost single export deals to key destinations and eases the challenges of your journey. We broker deals with trade specialists to help you price and execute your deal. From insuring against credit risk to following documentary processes, Exabler will have you covered.

## About Parkway Logic

At Parkway Logic we seek new solutions to legacy challenges in international trade, providing actionable insight, automation and connected solutions to smaller exporters who are starting out or established. Whether you are exploring the market, negotiating contracts, navigating the export process or just looking to be better at exporting, we can guide you or even relieve the load. Through technology, process and supplier selection our aim is to improve the bankability of your business.

To learn more about how our solutions can, please visit [www.parkwaylogic.com](http://www.parkwaylogic.com) and or contact us via email at [info@parkwaylogic.com](mailto:info@parkwaylogic.com) or phone on 0208 144 0098.

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## Who we are



### Ramin Takin

Ramin is adept at cross-border financing and delivering international orders, with contract values ranging from a few tens of thousands up to billion-dollar financings, he's seen the challenges that businesses face such as contract delivery deadlines, managing supply chain relationships and navigating the burdens of bureaucracy.

Ramin started his career with Citigroup London in international banking before moving to the Dubai IFC, then an oil services firm. There he had a pivotal role in transformational cross border deals, leading export financing, logistics and interfacing with small and large supply chain teams.

He has an MEng in Engineering, Economics and Management from University of Oxford and a PhD from Imperial College London.



### Christopher Woodington

As an intern at Cargill early-on in his career, Chris delivered web and financial control tech - a perfect introduction to the world of global trading. Here he saw how technology and data is crucial for informed decisions. Getting your international trade going takes time, effort and patience but it's important to focus on the right areas with your limited resource.

At Deloitte he worked on business change initiatives across FMCG, govt, capital markets, treasury and technology organisations worldwide. Time and again he led successful global change projects cross borders and organisation boundaries - all involving high levels of data and technology.

He has an MEng in Engineering and Computing Science from University of Oxford.

**Address**  
Office 7, 35-37 Ludgate Hill  
London EC4M 7JN

**Telephone**  
+44 (0) 208 144 0098

