

THE NETWORK EXPORTING™ MODEL¹

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Experience shows that the main way that potential customers manage the risk of choosing a new service supplier is by asking others for recommendations and referrals. This dependence on personal recommendations can create problems for service firms if they are not already well known in a new market.

Traditionally firms have been taught to start the export development process with market research. But market research will not help service firms get referrals! In studying firms that are successful, we have found that service firms need to use a different approach – which we call the “Network Exporting™ model.”

The Network Exporting™ model provides a framework for leveraging the contacts a service firm already has in order to create credibility in a new export market. It involves six steps:

- Step #1: Identify three to five markets with customers that have needs similar to those the service firm has already addressed successfully and that would be appropriate export markets for the service firm.
- Step #2: List the contacts that members of the service firm have in each of the markets identified. Possible contacts might include business colleagues, old schoolmates, relatives, or friends.
- Step #3: Rank the markets based on the quality of contacts into each market.
- Step #4: Verify that the top-ranked market (based on quality of contacts) is a viable market, using market research.
- Step #5: Work with contacts into the top-ranked market to generate interest in the service firm’s capabilities.
- Step #6: Travel to the market (if necessary) to build profile and meet potential partners and potential customers.

¹ The Network Exporting™ model was developed by Dr. Dorothy Riddle (Service-Growth Consultants Inc.) based on her work in assisting over 6,500 small business and professional service firms to export their services successfully.