

About Us



Chamber International and Chamber Management Services are trading names used by Chambers of Commerce in the region for the delivery of international services. From its base at Bradford Chamber, the Chamber International team is committed to helping clients build their capabilities for the challenge of international business, and offers a broad portfolio of services to do this.

www.chamber-international.com

Please visit our website to find out more and to keep up to date with all the latest international news and opportunities

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How to - sell to Russia



Chamber International 'How to Guide'

Russia represents a classic challenge for UK exporters and is currently the largest economy that is not part of the WTO (World Trade Organisation). There may soon be new opportunities after the announcement that there is a 50-50 chance that Russia will join the WTO later in 2011. You have to keep abreast of current affairs in this rapidly developing market to secure a long term future for your business. It will help you ride out recessions, reduce costs and, of course, increase profits. It is not however without risks and frustrations. Finding the right opening for your products may seem a daunting prospect, but by following a few basic rules can give you a head start.

Failing to plan is planning to fail: Thorough preparation is essential. What follows are some tips based on many years' experience in developing business in Russia for UK companies.

1. Profile your market segments.

What sort of market do you want? Since Russia is a few years behind the UK, you may have some old tried and tested products on the shelf that may just be what is needed. Accessibility is also important. You need to weigh up shipping costs and costs involved in servicing the market.

2. Decide what information you need.

- Main competition
- Import regulations
- Taxes
- Pricing
- Standards
- Duties
- Payment regulations
- GDP
- Local manufacture
- Age ranges
- Population

- Education standards
- Infrastructure
- IT standards
- Climatic conditions
- Country credit rating
- Distribution methods
- Corruption

These should all form part of your market analysis. You will no doubt think of more information you require specific to your business. Many businesses opt to use the US dollar or Euro using a forward contract to hedge their currency risk.

3. Create a market research questionnaire.

Based on the answers to point 2 (above) create a questionnaire and note the sources for the answers. This enables you to compare responses and make appropriate decisions.

4. Choose your information sources with care – e.g. existing customers, existing suppliers, manufacturers of complementary products, industry associations, Chambers of Commerce, UKTI and foreign embassies.

You can waste so much time surfing the web and listening to well-intentioned but ill-informed people. You need to maximise your time and only use credible sources of information.

5. Create a matrix. By creating a matrix outlining the market criteria, the results can be expressed in a series of graphs. You can then quickly identify the key target markets. Target 'hot' sectors: the retail sector in Russia is one such sector and so is the construction industry that is in a desperate need of international expertise.

6. Consider using the Export Market Research Scheme which can be accessed through local Chambers of Commerce. Help and financial assistance may be available.

7. When you have identified possible markets, consider commissioning a Market Due Diligence Service (MDS) Report. This is a tailor-made report prepared by a Russian Market Specialist and available from Chamber International.

8. Investigate organised 'Market Visits' – subsidies may be available. Chamber International provides this service both for groups of companies and for individual companies. Do not underestimate the importance of relationship building or the time taken to build relationships.

9. Language and translated documentation. It is well worth having business cards printed in Russian. Speaking a few words of Russian at the beginning of a meeting is received appreciatively. Even if your contact speaks English, it is advisable to have product details and price lists translated into Russian.

10. Learn about marketing in Russia. Forget about Google! There are other websites that are more effective research tools.

11. Understand Russian corporate law and the tax system. Breaking the law and bending the rules is virtually an art-form in Russia. For centuries the State has been seen as the enemy. The only way to understand why a law or a rule is being bent or broken is to understand how it is supposed to be enforced.

12. Ensure you have stock available. You may land a contract on day one but if you do not have sufficient stock to meet the order or sufficient capacity to fulfil the contract in time, your reputation will be damaged forever.

13. Familiarise yourself with Russian negotiation styles. The Russians are some

of the toughest negotiators in the world. Business is generally negotiated in person with frequent follow-up calls and visits. Don't expect your business partners to honour a verbal agreement. Write everything down. Sign it. Stamp it. Get it duplicated.

14. Find a reliable interpreter in the UK with knowledge of the Russian culture to ensure you receive a full interpretation and impartial advice at business meetings.

15. Ensure that you are meeting the decision maker. Russian companies are often driven and directed by one strong central character. Without the approval of this individual, very few decisions will be taken and any that are will probably prove invalid.

16. Who should engage in business development? Russians like status, good international connections and academic credentials. Be sure to mention yours and have printed any relevant information on your business cards (which should be bi-lingual).

TRAVEL ADVICE:

When in Russia... Getting an invitation letter and visa can be a lengthy process. All visitors must be registered with the authorities within the first three days of their visit. Due to the possibility of random document checks by police, you should carry your original passports and registered visas with you at all times.