

**PLANNING FOR PROFITABLE SALES IN THE
UNITED STATES**

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PREFACE

This services overview is designed to clarify the sequence of steps and the approximate timing to professionally prepare and implement U.S. market development programs for our clients. Each step of the project lays the foundation for the next step. The final outcome of this logical progression is a sound and professional sales & marketing program to initiate an aggressive sales campaign in the United States.

Project objectives and the progress in meeting those objectives are evaluated at the end of each phase and adjustments are made where necessary. Also, clients have the option to terminate the project at the end of any of these phases.

Time Frame

The approximate time frame to complete all of the activities outlined is six months to one year. Approximate time allocations for each step are also indicated. These estimates are based on certain assumptions regarding product types, number of products, target markets and desired level of effort and timing of sales.

OBJECTIVES

TAI has many years of experience in preparing companies for the U.S. market. This experience has taught us that there is a critical path that must be followed to insure long term and profitable success in the U.S. The Methodology outlined below defines that critical path. The risk and cost of market entry are significantly reduced in taking this efficient approach. The three main objectives of following this measured, logical sequence of activities are:

1. To design a well integrated and complete U.S. sales & marketing program;
2. To identify the strategic partners who will play key roles in the success of the U.S. sales & marketing initiative. Key decision makers (buyers, distributors, etc) in the U.S. will not seriously consider any new suppliers unless these two objectives have been met!
3. To successfully implement the program and achieve the anticipated results.

METHODOLOGY

Phase 1 Company & Product Evaluation

1.1. Objectives

- Analyze the assets of the company (equipment, capacity, management structure, production/packaging/delivery capabilities) to determine the ability to supply the U.S.
- Do a preliminary assessment of the products and product mix to determine their suitability for the U.S.

1.2. Method

- Meet with senior management to inventory and get a full description of all hard assets of the company. Compare production efficiency with competitive suppliers.
- Take product samples into U.S. niche markets to do a field comparison and take a preliminary look at buyer acceptance.

1.3. Deliverables

- Summary Report of all findings. Present findings to senior management.

Phase 2 U.S. Market Competitive Analysis

2.1. Objectives

- Identify the major competitors by both product category and by niche markets. This will include price and product comparisons as well as a review of promotional and incentive programs.
- Assess competitive strategies for market penetration.

2.2. Method

- Meet with key decision makers (buyers) in distribution in all niche markets in TAI's network. Document and evaluate all competitive printed literature and support documents (price lists, specification sheets, etc).
- Conduct field research in all market niches and present product to buyers.

2.3. Deliverables

- Summary Report of all findings and recommendations for product changes/adaptation to the U.S.

Phase 3 Product Positioning / Market Segmentation

3.1. Objectives

- Identify the most likely targets (market segments) that will bring initial profitable success in the U.S.
- Determine on what basis (price, product positioning) to introduce product(s).

3.2. Method

- Analyze pricing structure through 1-2-3 - step distribution and based on price, product, and distribution determine which segments are best suited to client's product(s).

3.3. Deliverables

- A matrix comparison of price and product that compares TAI's client to U.S. competitors.

Phase 4 U.S. Pricing Policies

4.1. Objectives

- Establish a pricing policy and actual price lists based on preferred buyers/distributors mark-ups/requirements.
- Establish a list price list and a discount structure based on distribution requirements.

4.2. Method

- Collect and review competitor's pricing policies and price lists and establish a competitive pricing position (incentives, introduction offers) to stimulate sales.

4.3. Deliverables

- Formal price lists ready to present to the market.

Phase 5 U.S. Pilot Sales Program

5.1. Objectives

- Identify key distribution channels based on distribution pricing structure and positioning analysis.
- Identify strategic partners in distribution (buyers, distributors) in TAI's network who have expressed a sincere interest in promoting our client's product(s).
- Identify any critical export/import logistics issues
- Provide critical feedback from potential buyers on product value proposition
- Design demographic, firmographic, product, pricing changes based on feedback to better sell product in U.S.

5.2. Method

- Send samples to a preferred list of buyers / distributors and follow up with personal visits to get commitments and to define the program (pricing, promotion) required by preferred distributors/buyers.

5.3. Deliverables

- List of preferred distributors/ buyers who have reviewed and approved the client's product(s).
- Sales are contingent on a program adapted to the distributors/buyers needs.
- A Sales Report Detailing a Full Scale Sales Program

Phase 6 U.S. Sales & Market Support

6.1. Objectives

- Determine the dedicated corporate support (administrative, sales & service) absolutely necessary for the U.S. program.
- Build a portfolio of all sales materials and define promotional activities (trade shows, advertising) to support the U.S. program.

6.2. Method

- Write job descriptions of sales support positions.
- Prepare the copy / content of all sales support printed materials.
- Collect all necessary documentation for trade shows and distributor advertising.

6.3. Deliverables

- A report itemizing and outlining the content all sales and market support documents / events.

Phase 7 U.S. Sales & Marketing Action Plan / Sales Forecasting & Budgeting

7.1. Objectives

- Forecast 1-3 year sales and establish a budget as a percentage of sales to meet target.
- Structure an action plan designed to prioritize activities that will help achieve sales goals.

7.2. Method

- Meet with prospective buyers to forecast what percentage of their purchases will go to TAI's client.
- Write a formal Action Plan and present to client's senior management.

7.3. Deliverables

- A formal Sales & Marketing Action Plan.

Phase 8 U.S. Sales & Marketing Plan / Implementation and Management

8.1. Objectives

- Implement the Action Plan with those partners who have made a commitment to promote TAI's client's product(s).
- Design the administrative tools and internal support program for the U.S. market.

8.2. Method

- TAI's professional staff will work with strategic partners to ensure proper launching of the U.S. program.
- TAI will work with client's senior management to develop administrative tools.

8.3. Deliverables

- Monthly Progress Reports.
- Ongoing and Repeat Sales.

PROGRAM SCHEDULE AND BUDGET

TYPICAL PROGRAM SCHEDULE

Phase 1 Company & Product Evaluation	(1 month)
Phase 2 U.S. Market Competitive Analysis	(.5 -1 month)
Phase 3 Product Positioning / Market Segmentation	(.5-1 month)
Phase 4 U.S. Pricing Policies	(.5 month)
Phase 5 Initialize Pilot U.S. Sales Program	(2 months)
Phase 6 U.S. Sales & Market Support	To Be Determined
Phase 7 Full Scale U.S. Sales & Marketing Action Plan	Sales Forecasting & Budgeting To Be Determined
Phase 8 Full Scale U.S. Sales & Marketing Plan / Implementation and Management	To Be Determined

Our guarantee is to establish a solid sales program as quickly as possible given the allocated man power dedicated to the task. Typically, by the end of the third month we will reach the Pilot Sales Program making sales calls with customers, distributors, or wholesalers with a product package - position, pricing, and delivery - that has been designed to target American buyers. If the TAI client desires a greater level of effort, then we can accelerate progress towards the Pilot Sales Program. Also, if the product mix is larger or if significant customer education is necessary, such factors can also impact the time and cost required to design an effective program. However, if the pilot sales program is successful, then we develop a full scale program to exploit U.S. markets within the capacity of the client.

WHY CHOOSE TAI?

MASS VOLUME DISTRIBUTION: TAI is for companies seriously seeking high volume sales in the United States. Selling to the U.S. market with the intent of supplying large quantities absolutely requires delicate and precise preparation before meeting any large distributor. TAI is in the business of developing U.S. marketing programs on a professional basis, plan and implement a penetration strategy and maintain sales all with the target of mass volume distribution. TAI deals only with companies who choose to enter the U.S. market with the firm intention of mass volume distribution.

U.S. DISTRIBUTOR REQUIREMENTS: It is a requirement of large U.S. distributors that a certain preparation be made before meeting with them. Such preparation includes market positioning analysis, proof of the ability to supply, competitive pricing structures and policies, marketing plan, ability to support the U.S. sales network and more. TAI is specialized in this sort of preparation and introduces companies to distributors on a solid basis.

EXPERIENCE: Many market development projects completed to date. TAI has been aggressively developing U.S. market development programs since 1995.

CONTACTS: 15 year extensive business network with US distributors at a personal level. TAI gives non-U.S. companies access to top buyers/distributors where they would normally be quickly turned down. In fact, a typical distributor gets on average 100-300 requests every day from companies

wanting them to distribute their products. The U.S. distributor network is based on personal relationships.

PROFESSIONAL STAFF: TAI project managers each have over 10 years of experience in their field. TAI project directors are well known and respected market veterans in their given market sector and have access to key buyers when others do not.

MINIMAL RISK: TAI uses the best bottom up risk management strategies permitting safe scalable project progressions. Each step of the TAI market development methodology serves as a milepost in determining the viability of going on to the next step. This assures that financial resources invested in a TAI project are managed with the greatest care and attention.

LOWER COST: TAI projects consistently cost less than “do it yourself” (DIY) projects. Non-U.S. companies entering the U.S. market by themselves always experience frustration by constant rejection by distributors. Because they lack many fundamental concepts of marketing in the U.S. DIY projects result in costly mistakes, have a low ROI, and if at all successful have minimal market penetration and in most cases no market at all.

INQUIRIES

We welcome your questions and comments.

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