



Detecting and Removing the stagnation in an Export-Import business

Mohammad Sheikhmohammadi Khamseh

Bharati Vidyapeeth University
mihomo@outlook.com

Abstract

Currently export-import businesses face the problem of stagnation after a specific time period from the activity of a business. In order to solve this problem we had to identify the main elements active in an export-import business. Using the six elements, six guidelines were generated, which are supposed to resolve the problem of stagnation. On the next level the six guidelines were categorized in three groups, where the related guidelines were grouped together, and could be activated together as a solution.

Keywords: Export – Import – Stagnation – Business

Introduction

Import means the shipping of goods and services into the port of a country. In other words Import is commodities (goods or services) sold to a foreign country. Export is a good taken to a jurisdiction, across a national border, from an internal source. In other words export is selling of goods and services produced in the home country to other markets.

The party taking out the good or service is called "exporter" and the party bringing in the good or service is called "importer". An export from the sending country is an import in the receiving country.

An import-export business is an individual or organization that acts as an international middleman. That is, it sells domestic products to other countries (export) and sells foreign-made products in the home country (import). Any manufacturer is a potential client for an export-import business. International trade involves both importing and exporting, not one at



the exclusion of the other, however the novices get started through either exporting or importing.

Globalization and the changes that it brings to societies, have evolved the international trade from a static process to a dynamic process. As such, businesses that attempt to sell the products across borders must constantly adjust. (Nelson, 2000)

Currently an export-import businesses are facing the problem of stagnation after a while when they reach some satisfactory profit. The current research aims to resolve this problem, by providing the active people in the field with some guidelines, following which makes their business an up to date business with lively and continuous nature, instead of a fixed stagnated business.

Methodology

The research methodology is based on the functioning of the business. At first, we will prepare a list of all functioning steps in an export-import business. Then the areas which will get stagnated after a specific time period will be detected. Finally the required measures to update the areas of stagnation will be provided.

To prepare the list of functioning steps, the involving agents in the export-import business should be specified. The main agents in an export-import activity are: producer, seller, transporter, storer, buyer, and consumer.

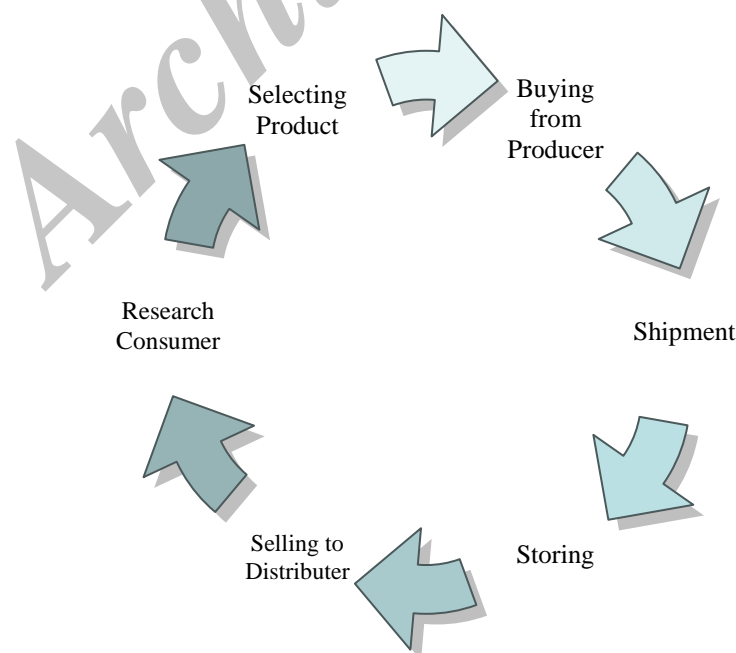


Figure 1 Activities of an Export-Import Business



In most cases the above process will be taken as a one-time task, instead of a continuous process. Business people will get involved in a repetitive set of activities with fixed partners. So the current research proposes solutions to this problem, based on the six activities above.

Results

The six activities involved in an export-import business are: Selecting product, Buying from producer, Shipment, Storing, Selling to Distributer, Research Consumer.

The current research proposes six solutions to keep the above activities as a live and continuous process, instead of a fixed and repetitive task. The solutions are:

- Continuous search for selecting the right product for which the buyers would pay.
- Changing partners and producers based on the best price and quality they provide.
- Choosing shipment and transport partners based on their efficiency for the whole business.
- Choosing storehouses based on location and price they provide.
- Changing the distributing partners based on their flexibility and the price they provide.
- Researching the consumers for their needs and requirements on a regular basis.

Using the above guidelines a business can overcome the obstacles generated by stagnation and repetitious activities in their export-import procedures.

Discussion

The six above guidelines are supposed to be followed by export-import businesses in order to overcome the problem of stagnation in their businesses. The six guidelines can be grouped in three main areas as below:

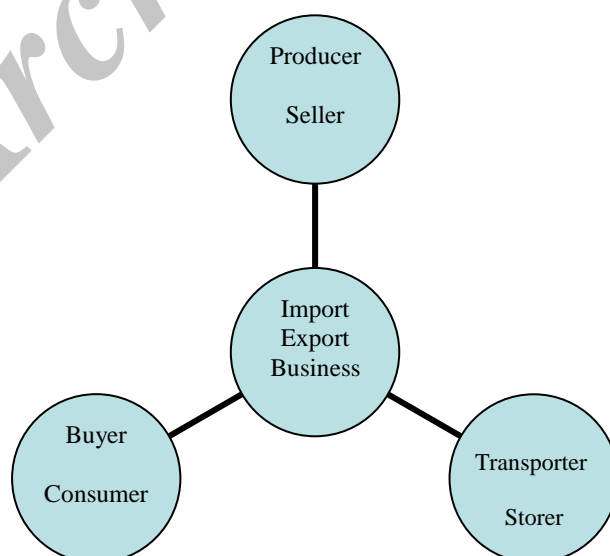


Figure 2 The three main areas of Export Import Business



Now each area can be considered as a separate department for following the business activities. And each department can be updated separately.

The product is produced by producer, and then it will be sold by seller to a business. The business transports and stores the commodities till it finds a buyer who comes to purchase the commodities. Then the commodities will be distributed through market to consumers. The business should monitor the actions taken by consumer and their choice of product for its future decisions. The actions of producing and selling, storing and transporting, and finally buying and consuming can be followed together, as they are closely related to each other. These three groups of activity forms the three main areas of a business. Constant and timely monitoring of these three areas, and imposing regular timely changes and alterations to them, ensures a safe business without any stagnation.

Conclusions

The research came to the conclusion that the problem of stagnation in the export-import businesses, can be solved by the six guidelines which was provided based on the six key elements of an Export-Import business. The six guidelines are: (1) Continuous search for selecting the right product for which the buyers would pay. (2) Changing partners and producers based on the best price and quality they provide. (3) Choosing shipment and transport partners based on their efficiency for the whole business. (4) Choosing storehouses based on location and price they provide. (5) Changing the distributing partners based on their flexibility and the price they provide. (6) Researching the consumers for their needs and requirements on a regular basis.

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