

Complementary Seminar:

Export simulation

Through this simulation, you gain practical experience in balancing and integrating decisions in the various areas of international business, and it provides an overall picture of how these aspects can influence each other in real business situations.

Submit in writing by emailing Daniel at daniel.karlsson@hermods.se

Feel free to divide the submission into the headings as below and summarize your answers to 1200-1500 words. **The deadline for the written supplement is 24/3 at 23:59.**

For a chance of VG in the course, see separate description for VG part. You do not need to submit a separate submission for this, but weave more analysis and discussion around your decisions into this submission.

1. Submission - Part 1: Delivery terms, payment method and form of financing

You are tasked

with investigating potential

exports to Mexico and must choose the most appropriate payment method and form of financing to manage the business risks. Discuss based on the following:

Delivery terms (Incoterms):

Transport costs and time:

- How do transport costs and delivery time affect the choice of delivery terms?

Incoterms and liability:

- Which incoterms are most suitable for the business in question and how responsibility is distributed between buyer and seller?

Local laws and regulations:

- How do local laws and regulations affect the choice of delivery terms? Is it necessary with adaptations?

Flexibility and customer satisfaction:

- How can different delivery terms affect flexibility and customer satisfaction?

Payment method:

Creditworthiness and trust:

- How does the buyer's and seller's creditworthiness affect the choice of payment method?
- What level of mutual trust exists between the parties?

Nature of the business relationship:

- Is it a long-term or short-term business relationship? How does this affect the choice of payment method?

The country's economic stability:

- What impact does the economic stability of the country in question have on the decision about Payment method?

Control and risk:

- What control does the seller want over the payment process, and how does that affect the choice of payment method?
- How can the seller reduce the risk of non-payment?
- How should the seller act in view of the currency risk?

Form of financing:

Capital availability:

- How does the company's current financial situation and capital availability affect the choice of financing form?

Interest costs and financial sustainability:

- How do interest costs and overall financial sustainability affect the decision about financing?

Export credits and government support:

- Are there opportunities for export credits or government support from any of the companies in question the countries?

Risk management:

- How can the company manage and minimize the risks with different financing options?

2. Submission – Part 2: Customs handling

You continue to work with the same country and research the specific customs regulations and documents required for exporting to that country. Discuss based on the following:

Customs duties and tariffs:

- Classify the company's products
- What are the current customs charges for the products the company exports?

Trade agreements and preferential systems:

- Are there any existing trade agreements or preferential schemes between the country of origin and the country of destination?
- How can these agreements benefit or affect the company's customs costs?

Customs declaration and documentation:

- What documents are required to make a correct customs declaration?
- How can incorrect documentation affect customs clearance and the duration of the goods transport?
- Are there advantages to using bonded warehouses to facilitate customs handling?

Local legislation and regulations:

- Do local laws and regulations affect the company's operations?
- Are any licenses or permits required?

3. Conclusion and reflection

Conclude with a reflection where you discuss the different strategies chosen and how the three aspects (payment, financing, and customs) are intertwined in international business contexts.