

HOW TO MAKE A QUOTATION (Checklist for CBI participants)

| | Ref. |
|---|-------------|
| <p>First of all, European inquiring parties expect a firm quotation within 3 days. <i>The quicker you are, the better your chances.</i></p> | |
| <p>If you cannot, for some reason, react within 3 days, make sure some one in your organisation gives a message: asking for further details or explanation or to excuse for the delay and mention the period in which a firm reaction can be expected plus the reason for it and ask whether that is acceptable.</p> | |
| <p><i>You need to know more about the customer before you make your offer; you could visit their website and find more details through trade directories first.</i></p> | 1 |
| <p><i>Make sure you have all the tools available like a good brochure, a dynamic website and instruments to show your professionalism contained in a company profile.</i></p> | 2 |
| <p><i>Train and instruct your assistants and telephonist to communicate properly when the customer gets on the phone.</i></p> | 3 |
| <p>A: Give very clear reference and revert to the date of the inquiry and particulars of the customer's wishes, recalling the specification and drawing numbers. Confirm what was requested explicitly.</p> | 4 |
| <p>B: Your quotation should bear an identification reference number as well and be clearly traceable from the customer's end.</p> | 5 |
| <p>C: Confirm the quantities, which were requested and make clear that your prices are based on these volumes.</p> | 6 |
| <p>D: Give prices preferably in the currency which was requested although you may run a risk but make clear which prices belong to which quantities. <i>In this phase it is more important to accommodate to your customer's wishes than to secure all the risks.</i></p> | 7 |
| <p>E: Give a realistic delivery time schedule but have it checked with your production manager so that he cannot obstruct once the order comes through. <i>Limit the acceptance time of your offer so that you can review the prices and delivery schedule when that time has lapsed and your production schedule has changed, so mention the acceptance validity of the offer. Make clear that you have to review your quotation after that date.</i></p> | |

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| F: Be very clear about the payment terms . <i>Don't be shy or hesitant to be very strict on it. In Europe we have a complete different understanding about the discipline of payments. A letter of credit is to be preferred, certainly for the first business. European customers will object to that certainly, but will finally accept such an arrangement hoping that there will be an open account after some time. That's also why Europeans are seeking for long-term relations to make the payments easier. This is still based on trust and you should be well aware of the quick changes in Europe. So a regular close contact with your customers by visiting them regularly has to be secured.</i> | 8 |
| G: If some form of guarantee can be given, please make use of it. Confirm the requested inspections, tests and/or approvals. <i>But mention also the documents and test reports you will supply with the goods, requested or not.</i> Also mention if your product is produced in a quality assurance environment. | |
| H: Quality assurance: If the products will be manufactured under a Quality Assurance system, such ISO 9001, this should be mentioned explicitly. | 9 |
| I: Delivery terms: Terms like FOB or CIF must be mentioned, these notations, which are internationally agreed in Incoterms 2000 and are a crucial part of the sales contract. | 10 |
| J: Packaging is often forgotten but with exports it must be mentioned if it is included in the price or not and what kind of packaging is proposed. Also here it should be mentioned what kind of conservation is foreseen to prevent corrosion during transport. | |

Use this form as a checklist for your future quotations

***For further explanation of the numbers in the Ref. column,
please look at the next page***

1. For us at KommaNet, it is mostly very simple to have at least basic information on each company in Europe. These are data retrievable from directory databases, trade books, on-line search engines (Google), through competitors or over own records.
2. We can make information on those promotional tools available.
3. Your commercial responsible person should make a basic instruction manual for your assistants.
4. To make a reference to the inquiry is important, it makes a good impression and shows professionalism.
5. Your people should preferably recognize your reference immediately. It makes a good impression and shows that you are interested in this client.
6. Confirm the quantities which were requested and that they are related to the price given.
7. Prior investigation of the credibility of the customer may reduce your risks.
8. Visiting customers in Europe should be on your agenda regularly. The investment for such trips is worth every penny.
9. Operating under such a quality system eases the communication with individual customers.
10. See publications of ICC (International Chamber of Commerce), such as INCOTERMS 2000. Check the differences of your responsibility and track, which is covered by your insurance.

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