### Step 2 – Know Your Market

- NAICS, HTS & Schedule B
- Import Requirements
- Country Indicators & Rankings
- Market Entry Plan
- Your “Perfect” International Customer
- How to Expand into Other Export Markets
- Where To Get Help
NAICS, HTS and Schedule B

- **NAICS (North American Industry Classification System)** - Used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy - [www.census.gov/eos/www/naics/](http://www.census.gov/eos/www/naics/)

- **HTS (Harmonized Tariff System)** - A six-digit standardized numerical method of classifying traded products that’s used by customs authorities in most countries to determine customs duties and tax rates - [www.census.gov/foreign-trade/schedules/b/](http://www.census.gov/foreign-trade/schedules/b/)

- **Schedule B** - A U.S. -specific 10-digit code that’s derived using the six digits of the HS code along with additional numbers to provide a more specific classification. Required on Shipper’s Export Declarations (SED), and used to monitor U.S. exports - [www.census.gov/foreign-trade/schedules/b/](http://www.census.gov/foreign-trade/schedules/b/)

What is your NAICS #? ______________________________________
What is your HTS/Schedule B Number? ___________________________

Import Requirements

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<tr>
<th>X</th>
<th>Description</th>
<th>Requirement</th>
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<tbody>
<tr>
<td></td>
<td>Import Tariffs</td>
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<td></td>
<td>Labeling</td>
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<td></td>
<td>Legal Entity</td>
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<td></td>
<td>Product-Specific (i.e. food, health products, etc.)</td>
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What are the Country Indicators for Your Export Destination?

Your destination country - ________________________________
Ease of Doing Business - ______ of ______
Global Connectedness Index - ______ of ______
Global Competitiveness Report - ______ of ______
Global Enabling Trade Report - ______ of ______
Global Manufacturing Competitive Index - ______ of ______
Economic Freedom Index - ______ of ______
International Logistics Performance Index - ______ of ______
What Makes a Successful Market Entry Plan?

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>What are the characteristics of your perfect customer?</td>
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<td>How will your customer find you and your product/service?</td>
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<td>How will you get your product or service to this customer?</td>
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<td>From whom will you need help? (i.e. sales rep, distributor, freight forwarder, etc.)</td>
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<td>What products/services already exist in your destination country that are similar to yours?</td>
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Country Ranking Scorecard
1. Choose three potential export destinations to research.
2. Set your criteria to determine their rankings.
3. Conduct research.
4. Determine rankings.
5. Combine with qualitative considerations.

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>%</th>
<th>Rank</th>
<th>GDP per Capita</th>
<th>%</th>
<th>Rank</th>
<th>Ease of doing Business</th>
<th>%</th>
<th>Rank</th>
<th>Cost of Doing Business</th>
<th>%</th>
<th>Rank</th>
<th>Final Ranking</th>
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Other Considerations
____________________________________________________
____________________________________________________

Resources
- NAICS Numbers - www.census.gov/eos/www/naics/
- HTS & Schedule B Codes - www.census.gov/foreign-trade/schedules/b/
- Export License Help - www.bis.doc.gov/licensing/exportingbasics.htm
- Country Indicators - www.globaledge.msu.edu
- Small Business Development Center (SBDC) – www.cochise.edu/sbdc/