

HOW TO MAKE A QUOTATION

First of all, European inquiring parties expect a firm quotation within 3 days. The quicker you are, the better are your chances.

If you cannot, for some reason, react within these 3 days, make sure someone in your organization 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.

You need to know more about the customer before you make your offer. A useful source of information is certainly the company's website and more details can be found through trade directories, as well.

Make sure you have all the tools available on your own end, including a good brochure, a dynamic website and instruments to show your professionalism contained in a company profile.

Last but not least, train and instruct your assistants with precision to communicate properly when the customer contacts you via the phone. Your employee who is responsible for commercial issues should make a basic instruction manual for your assistants.

In order to make a good quotation which includes all the necessary information, you should follow certain steps:

- Give a 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. To make a reference to the inquiry is important as it makes a good impression and shows your professional attitude.
- Your quotation should bear an **identification reference** number as well and be clearly traceable from the customer's end. Moreover, your own employees must be fully aware of this identification number and recognize it immediately. The reason for this is simply showing the interest in the customer.
- Confirm the **quantities** which were requested and make clear that your prices are based on these volumes.

- Prices should be preferably in the **currency** which was requested but make clear which prices belong to which quantities. Although you may be at risk, in this phase it is more important to accommodate to your customer's wishes than to secure all the risks. Prior investigation of the credibility of the customer may reduce the possible threats.
- Provide a realistic **delivery time** schedule but have it checked with your production manager first. This can certainly prevent any obstructions once the order comes through.
Limit the acceptance time of your offer to be able to review the prices and delivery schedule when that time has lapsed and your production schedule has changed. Mention the acceptance validity of the offer and make clear that you have to review your quotation after that date.
- Be very clear about the **payment terms** and do not hesitate to be very strict about it. In Europe we have a completely different understanding about the discipline of payments. A letter of credit is to be preferred, certainly for the first business. European customers might object to that but will finally accept such an arrangement hoping that there will be an open account after some time. That is also the reason 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. Therefore, a regular close contact with your customers by visiting them frequently has to be secured. Visiting customers in Europe should be common on your agenda. The cost for such trips is surely a worthy investment.
- If some form of **guarantee** can be given, please make use of it. Confirm the requested inspections, tests and/or approvals. Mention also the documents and test reports you will supply with the goods, requested or not. Also mention if your product is produced in a quality assurance environment.
- **Quality assurance:** If the products will be manufactured under a Quality Assurance system, such ISO 9001, this should be mentioned explicitly. Operating under such a quality system eases the communication with individual customers.

- **Delivery terms:** Terms like FOB or CIF must be mentioned, these notations that are internationally agreed in Incoterms 2000 and are a crucial part of the sales contract. 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.
- **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. It should be mentioned what kind of conservation is foreseen to prevent corrosion during transport, as well.

Use this form as a checklist for your future quotations

KN100811VL