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AirPhysio is an International, multi-award winning, company who currently exports to 106 countries and are currently working on 20+ more at present.

Better Breathing Sport is new as of August, 2022, but we are currently exporting to 20+ countries with plans for expansion to 35 countries by February, 2023, plus many more to go.

In the past 2 years we have had over 2,300% and 2,599% growth respectively.

## **TIP 1. EXPERTS IN MEDICAL DEVICES AND GLOBAL EXPANSION AND LOGISTICS**

AirPhysio's expertise lies in medical complaints globally, along with logistics and expansion throughout the world. We have set up companies in four countries, logistics centres in seven regions and have medical compliance for seventeen regions including, but not limited to, the USA, Europe and UK, Australia, Japan, Canada, Saudi Arabia, UAE, South Africa and many more.

## **TIP 2. HOW TO SET UP MEDICAL COMPLIANCE**

Identify what your product is classified as, identify either competitors and/or similar products or predicates (registered products similar to yours) and then utilise these predicates to gain medical compliance.

## **TIP 3. UNDERSTAND TAX LAW STRUCTURES OF COUNTRIES**

All countries are not the same and don't work the same for taxation, customs or duties.

Some countries have VAT (Value Added Tax) or GST like Australia, but others have Sales Tax (similar to a GST) and this can vary between states, like in the USA, and there are laws and thresholds in relation to the value of sales per country or state. Some countries only have sales tax, VAT or GST, and don't have income tax, so if you are looking to set up a company and/or sell to any country, you need to understand these laws.

## **TIP 4. ALWAYS START HIGH AND NEGOTIATE DOWN**

Some countries (and nationalities) expect you to negotiate pricing and are offended if you don't negotiate. It is more like a game, so don't be offended about decreasing your price, just start with a negotiation margin in your original price; it is harder to negotiate up in price than to go down.

## **TIP 5. PRICE ISN'T THE ONLY NEGOTIATION POINT**

When negotiating the price of your product, there are things like storage space, payment terms, marketing, etc to consider. If you have the ability to ship to buyers and they don't have to store the product in bulk, you can get a better price per product.

If you have finance available to offer better payment terms, then the cash flow of the buyer is improved and you can get a better price for your product.

Again, if you do your own marketing, then this is another expense not incurred by the buyer and it may be more beneficial for your brand - if you have multiple buyers - to do this yourself.

## **TIP 6. EXCLUSIVITY IS AN OPTION, NOT A REQUIREMENT**

Everyone you talk to wants to have exclusivity for their country or region... this may be the best option for some locations, but make sure they pay top price for this option - and that they can deliver on what they promise.

## **TIP 7. CONTRACTS NEED TO BE TIGHT**

Get a great lawyer to do this, but you should always have KPIs and an Activation Clause in the agreement - among other



# 1001 EXPORTERS & GLOBAL TRADE TIPS

things. People have a habit of talking the talk, but unless they buy, you don't want to be locked in a contract for years with someone who never buys your product or service and locks up a country or region from others who can buy. Also, if they don't have KPIs, then they only have to do an initial buy and then have the region for the next negotiated years.

## **TIP 8. MAKE SURE LOGISTICS ARE CENTRAL**

When selecting locations for logistics centres and/or offices, be sure that they are centralised for the locations where you want to ship, otherwise you need more logistics centres and also they need to have good delivery times of 2-3 days from the furthest location ... this improves contract negotiation ability for buyers.

## **TIP 9. MAKE SURE LOGISTICS CENTRES ARE POSITIONS IN THE BEST TAX ZONES**

When positioning a logistics centre in, say, a region like the USA or Europe; different countries and states have different taxes and values per sale. Generally the tax laws are based on either where the logistics centre is based or a threshold amount. So if you base it in a high tax country or state, then you are paying too much tax for the same service.



## **TIP 10. UNDERSTAND RESERVE BANK AND CUSTOMS**

A number of countries, like India, have a very strict taxation system to control the currency and reduce fluctuations. This includes rules like having to sell to locals from a local entity and making sure that the product going into the country is at the right price which the buyer pays, or even making sure the buyer pays the Duties and Taxes so they can claim it back. Even making sure shipments come from the right entity to make the payment to (i.e. if the product is purchased from one entity in Australia to ship to India, but shipped by another entity to India, the Reserve Bank will expect that you only pay the entity which is on the shipping docket and not the Australian Purchasing entity. In this case, it is better to ship to the Australian purchasing entity and they ship the product).

These are things which are relevant to strategies, company set ups and event contract negotiations so that you can actually be paid from your buyer and that the currency isn't being locked up by the Reserve Bank of the country because you didn't dot your I's and cross your T's. This is why it is important to talk to businesses who are doing business with these countries, government agents and lawyers and accountants who understand international regulations and not just local regulations.

**1001 BUSINESS TIPS FROM 101™ EXPORTERS & GLOBAL TRADE ADVISORS**

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