You develop a partnership strategy in three steps:

- Decide whether or not partnership can work for you. If your needs can be satisfied in-house, a partner may not be necessary. If you need financing, you may be better off looking for investors. But if you require special expertise or a local market presence, then a partnership might work very well.
- Define the form, structure and objectives that a partnership must have to suit your needs. To do this, evaluate your company's goals, its ability to achieve them, and where you need help in doing so. Then identify how the partnership must work in order to fill in those gaps.
- Find a partner who meets these criteria and who will be a good "fit" with your company.

Working abroad

Exporters of services should be aware of the personal and business issues involved if they are actually working outside Canada. Foreign Affairs Canada publishes a guide called *Working Abroad: Unravelling the Maze* to tell service exporters about potential problems and how to deal with them. Refer to **www.voyage.gc.ca/alt/working.asp**.

Intermediaries

While you may be sure that the direct-exporting route is best for your company, don't be too quick to jump on a plane and start knocking on doors. Think first about using a intermediary, because the right one can save you an enormous amount of time and money. They come in several types: agents, representatives, trading houses and distributors.

Agents and representatives

These two aren't exactly the same. An *agent* secures orders from foreign customers in exchange for a commission. A *representative* is a specialized agent who operates within a specific geographic area and who sells related lines of goods or services.

Both may be authorized to enter into contractual sales agreements with foreign customers on your behalf. Normally you pay them a commission only when they sell your product or service.

An agreement with a foreign agent or representative immediately gives you a presence in your target market. This is usually less costly than setting up your own direct sales operation. Your representative can also make more frequent sales calls than you probably could. Finally, such an arrangement gives you control over the product or service and its price – an important advantage.

Good foreign agents or representatives can help you in many ways. They can research markets, advise on financing and transportation options, clear customs, provide access to potential customers, make collections, and supply information on local business practices, laws and cultural traditions.

TIP

Developing foreign markets is a long-term commitment. It takes time, effort and resources. Make sure your management is committed to the export venture and be prepared for the long haul.

Trading houses

Trading houses are domestic intermediaries that market your goods or services abroad. A full-service trading house handles a great many aspects of exporting, such as market research, transportation, appointing distributors or agents, exhibiting at trade fairs and preparing advertising and documentation.

Some act as "principals" or "export merchants," buying products outright from Canadian suppliers, while others act as "agents," selling on commission. Some specialize in specific industry sectors, while others focus on particular foreign markets.

If you prefer not to sell directly to foreign customers or worry about finding a foreign intermediary, you might consider using a trading house.