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- stock on order (value and quantity);
 - estimated total inventory and time period for depletion;
 - advertising and promotional activities in progress;
 - special events and festive periods during the notice period; and
 - names of contacts for major accounts.

The exporter then has to assure him/herself that the incoming representative will fully co-operate with the risk reduction plan. For example, will the new agent/distributor purchase the former representative's stock? And will he/she assist in defraying the cost of recent promotional programs?

The exporter may wish to "sweeten the pot" for the new distributor by covering some of the costs associated with the transfer of stock. Stock valuation is often a point of contention because of differences in exchange rates between the time the goods were originally purchased and the actual date of transfer, and the impact of interest costs on the value of slow-moving stock which the new agent does not want.

The primary objective in any transition period is to eliminate all claims against the exporter by the outgoing agent. The secondary objective is to reduce the risks related to products out of stock, overstocking, price stability and delivery.

A Final Word

Companies seeking to enter the international marketplace indirectly through Canadian trading companies (see *Export Markets: The Trading House Connection* — Appendix B) or directly through agents and distributors must examine their relationship with their representatives very carefully. The success of any export operation depends on the quality and effectiveness of its representation abroad. A business is only as good as the people who represent it and, in the international marketplace, a sense of partnership is integral to achieving export goals.