

There are a number of ways to identify prospective partners. A good place to start is any existing business contacts in Mexico, especially any which are in the same industry. Basing a partnership on an existing business relationship means that both companies already understand each other's ways of doing things. There will be previously-established personal ties and familiarity with each other's skills, resources and values.

Other sources of contacts include suppliers, customers, industry associations, consulting firms, financial institutions and government officials. The trade commissioner at the Canadian Embassy in Mexico City and the satellite office in Monterrey can also help to identify candidates and arrange for introductions. In addition, these sources can refer Mexican advisors such as lawyers and accountants who may be needed to conclude a deal.

Each partner prospect must be carefully screened. In the final analysis, the overriding consideration must be the compatibility, commitment and credibility of the potential partner. If none of the prospects are compatible, reconsider alternatives such as short-term contracts, mergers, acquisitions, or a greenfield investment.

## **NEGOTIATING THE DEAL**

Every partnership begins with negotiations. They set the tone and create the structure of the relationship. Effective negotiations depend upon honesty and frankness, because cooperation requires an atmosphere of mutual respect and trust. Trust, however, does not mean ignoring difficult questions or brushing aside serious reservations. Clarity builds trust. Avoiding important and legitimate concerns leads to unease and suspicion.

Negotiations require a careful balance between the roles of senior executives and technical staff. Team members with a superior grasp of technical, operational and legal details should be involved from the outset. Senior executives have been known to avoid raising thorny issues to maintain a pleasant, collegial atmosphere. They do not always have a detailed understanding of the practical problems of day-to-day management. And they may assume that difficult details will be ironed out later.

Senior executives, on the other hand, have a broad strategic understanding and the clout to keep talks on track and break deadlocks. Their involvement should come at a strategic point in the discussions. The composition of the potential partner's negotiating team is one way to judge when the time is right.