How the Manufacturer Can Get Into Export Field

First Step is Appointment of Export Manager, Who Should Study Field Carefully—Personal Visits to Foreign Markets—Assistance of Government Trade Commissioners—Advertising in Export Trade Publications—Arrangements With Export Commission Houses

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(This is the second of a series of articles on Practical Exporting, the first of which was published in The Monetary Times of November 12, 1920.)

THERE are advantages and disadvantages in any one system of developing export business and what might appeal to the heads of one business would not suit another manufacturer for reasons of finance, unsuitability of staff, policy in sales, or class of goods manufactured. The object of this article is therefore to suggest various ways and means from which executives may make a decision on policy whether the manufacturing firm is old and wealthy or a new "one-man" concern.

Obviously, the first step for any manufacturer is to appoint an export manager. At the initial stages of a decision to form an export department, the first consideration will be expense and the second the calibre of available personnel. As pointed out in the first article of this series, the development of export markets is not a rapid process and the first year's efforts will not likely prove profitable if a heavy expense is undertaken to provide an export staff before actual orders demand it. However, a bright man of initiative, with executive and organization possibilities, should be definitely assigned the responsibilities of export manager and be given time and opportunity to study his duties. The selection will, of course, be dependent on the size of the firm, the eventual possibilities of export sales of a particular line, and the individual characteristics of the existing staff. In the case of a very small partnership, one of the partners might take on the work, while in a bigger office organization, the sales manager or his chief assistant might be selected. For some months at least, the export manager could devote only part time to his export duties, but if the firm's policy is a whole-hearted one and they can afford to do so, the export manager should be given ample time to study his subject and work out his plans. Subsequently, he will be kept busy in looking after actual orders.

Assuming that the export manager has been selected, we now proceed to review the various means at his disposal for developing his foreign markets, leaving the question of his technical education to subsequent articles in this series.

Through Personal Visits to Foreign Markets

Dealing first with firms that are sufficiently wealthy to justify an initial travelling expense item of $10,000, the ideal way to investigate possibilities of sales abroad is to send a highly competent man (presumaby the export manager) on a trip around the world. The language difficulty is not insurmountable although a working knowledge of French at least would prove very useful as an alternative to English. Of course, it is safer to stay with a language one knows accurately than attempt to make statements and promises in a foreign tongue and subsequently find that ridiculous misunderstandings have arisen. So far as Canadian travellers are concerned, they will always find that the offices and advice of the Canadian or British trade commissioners are at their disposal in practically all centres they wish to visit, and local qualified interpreters are not expensive.

By a visit "on the ground," the Canadian export manager can accurately check up the competition in his line both as regards quality and price. He should, of course, have full supplies and literature with him and be armed with sufficient authority to make up delivered prices, set discounts, make contracts for agencies and deliveries, promise to meet local requirements in design, packing, etc.

Should Help the General Agent

The time required in each country is problematical, but, assuming that the initial investigation into sales possibilities is satisfactory, it will prove worth while to spend several weeks. The most important work from an organization standpoint is the settlement of policy on the merits of a salaried branch office staff and warehouse versus the appointment of a general agent or territorial representation. If agencies are decided on, it is not sufficient to make an appointment, sign a contract and move on. The Canadian representative who understands the peculiar merits of his goods should spend time in company with the agent getting acquainted with his customers and helping him to make sales, assisting in the preparation and possibly payment of initial advertising, etc. Having thus firmly established his company's business in one country, he can report full details to his headquarters and proceed with his journey.

This system of personal visits to foreign countries is the most ideal way, when the expense can be afforded, if only for the future benefits of established friendship between export manager and foreign agent, but above all, the export manager has broadened his mind, gathered the viewpoints of others in his line of business, picked up valuable suggestions and increased his value to his firm by at least 100 per cent.

And yet there is nothing perfect in an initial visit. The appointed agent may become less enthusiastic with the departure of his Canadian visitor and sales results may be extremely disappointing. Again, with all the energy and good intentions in the world, conditions may arise after the Canadian's departure which temporarily prevent sales. New competition may appear, exchange may upset prices, a general buying depression may come over the market; any or all of a dozen things may render the expense of the personal visit a more or less financial loss. So much for the advantages and disadvantages of foreign visiting.

Medium of Government Trade Commissioners

If any Canadian manufacturer will write to the Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, he will receive free the "Weekly Bulletin," and be placed on the mailing list for future issues. Besides publishing reports on the possibilities for Canadian exports in various countries, and trade inquiries for specific articles from foreign buyers, the bulletin furnishes the names and addresses of the Canadian trade commissioners and Canadian commercial agents comprising our own staffs in the Argentine, Australia, Brazil, British West Indies, China, Cuba, France, Holland, Belgium, Italy, Japan, New Zealand, South Africa and the United Kingdom. In addition is published the addresses of British consulates whose offices have been instructed by the British Foreign Office to answer inquiries from and give information to Canadians who wish to consult them in reference to trade matters.

The duties of the Canadian trade commissioners are many, but their principal one is well defined—i.e., to do their utmost to promote the export of Canadian products and manufactured articles. It may therefore be taken for granted by every Canadian manufacturer that he has a strong and capable friend in every country where our own commissioners operate, and, shall we say, a sympathetic acquaintance in the British consulates which are world spread.