

Chapter 3

Locating Manufacturers' Agents

The Nature of the Manufacturers' Agency in the U.S.

Many Canadian business managers reading this publication will have considerable experience with domestic manufacturers' agents who sell their line in the Canadian marketplace and will be familiar with the general guidelines provided in Chapter 2. Canadian independent sales representatives and agents operate in ways very similar to manufacturers' agents in the United States.

The significantly larger market and greater potential for sales in the U.S. compared with Canada means that finding the right kind of agent to represent your line is a demanding task. The first consideration must be matching your plant's production capability with the likely demand in the agent's territory. Agents want their orders filled promptly. They lose clients fast when back orders build up. The initial effort to find the right agent or agency is worthwhile.

Sources of Information about Agents

What should you do to locate the most likely agents in the U.S. to represent your products and your company? Prepare a profile of what you consider as the ideal agent. Then decide where you can learn, by the most efficient means, about prospective agents active in your industry sector. Some of the alternatives you can explore are listed below.

1. Government Contacts

The first stop you should make is the Canadian consulate located in the U.S. region you are targeting. (See Appendix 6.) Send a letter outlining your plans to the Commercial Division of the consulate. See Chapter 2 for key points to include in the letter. The Consulate trade commissioners keep records of the agents, distributors and brokers operating within their territory.

Inquire about your eligibility to participate in the New Exporters to Border States (NEBS) seminars. This program allows a group of about 20 companies to visit a U.S. entry point for on-the-spot presentations on all phases of exporting. Experts are present to discuss such topics as export documentation, U.S. Customs clearance procedures, insurance, manufacturers' agents and distributors, export pricing, warehousing, accounts collection, and so on. An officer from the Canadian consulate nearest to the border entry point will be present to discuss a market strategy for your particular product needs.

NEBS missions are organized through Seattle (for British Columbia and Alberta companies), Minneapolis (for Saskatchewan and Manitoba companies), Detroit and Buffalo (for Ontario and Quebec companies) and Boston (for Atlantic and Quebec companies).

A new program, New Exporters to the U.S. (NEXUS), is designed to take the successful graduates of NEBS deeper into the U.S. marketplace, for example, the southeastern and southwestern states.

The trade manager of the International Trade Centre in your region (see Appendix 7), as well as your province's trade development department (see Appendix 8), can explain the eligibility requirements for the NEBS and NEXUS programs.

Both the federal government's trade commissioners and the provincial governments' trade development officers organize special promotions for Canadian suppliers interested in penetrating the U.S. market. The Canadian consulates frequently co-ordinate displays of Canadian products in U.S. cities, to which local sales agents and distributors are invited.