

Opportunities for Canadian suppliers can be found throughout the Mexican economy. No industrial sector or public enterprise has escaped the forces of change that have swept through the country since the late 1980s. Manufacturers are rationalizing their operations and modernizing to meet the influx of foreign competition. Service providers are working to become more effective in meeting their customers' needs. Government agencies have been forced to become more efficient in the wake of deregulation and budget cutbacks. And on a broader scale, the federal and state governments have embarked on ambitious plans to modernize Mexico's infrastructure. Increasingly, they are turning to the private sector to help make this happen.

This environment of pervasive change creates opportunities for Canada, which had not been a prominent supplier to Mexico's industries. Initially driven by economic reform, the rationalization has been accelerated by the recent peso crisis. Both elements are forcing Mexican buyers and decision makers to consider alternative methods and new suppliers.

WHAT DOES IT TAKE?

Before looking at Mexico, start by taking a long hard look at yourself. Has your company evolved to the point where it has the stability and the resources to sustain an export effort? Does it have a competitive product or service? Can it finance a foreign venture? And perhaps most of all, is it ready to make a serious commitment to exporting?

READINESS AND REPUTATION

Before trying to sell abroad, a firm needs to understand what has made it competitive in its existing Canadian markets. Are the factors that have led to success at home transferable to international markets? Exporting is a logical step for a business that has already achieved a measure of success and security in its domestic market. Very rarely is it a solution for the troubles of a company that cannot compete at home.

In general, companies that have been in business for at least a few years will be in a stronger position to try exporting than new or very young firms. This is because they will have mastered the basics of managing their business, their product or service will have proven itself in the marketplace, and their cashflow will have stabilized. Similarly, companies that have achieved significant domestic sales will have better prospects than those whose annual revenues amount to only a few hundred thousand dollars.