
opportunities, normal business precautions should be taken with respect to credentials, as many novice traders begin in this mode. (See Locating Trading Houses and Selecting Trading Houses below.)

Supply Marketing

Under this exporting mode, trading companies may act as export management companies, export consortia, export representatives and corporate trading companies.

Typically, producers with temporary excess capacity will seek the help of trading companies in securing a short-term outlet for their products. These one-shot deals may interest trading companies when they can easily find a client abroad for these products, in a situation where, for example:

- they are already trading similar products;
- the Canadian producers are competitive in quality and price;
- the producers have a good reputation and the trading companies would be interested in representing them;
- they have received overseas requests for products they may not yet have marketed abroad and they are interested in entering that particular product line.

To summarize, trading companies will follow up on these short-term deals if they offer opportunities for profit.

Trading companies prefer, however, to focus on long-term commitments with Canadian producers, since selling abroad is costly. This is the core of supply marketing.

In this mode, Canadian manufacturers who wish to export have, at their disposal, trading houses which can provide a number of different services, including:

- market identification and selection;
- buyer identification, evaluation (including credit check), and selection;
- identification of product and packaging specifications;
- price negotiation;
- arrangement of terms of sales (including obligations of buyer and seller, terms of shipping and payment);
- financial arrangements;
- shipping arrangements;