

## What to consider when sourcing partners abroad

It is widely accepted that doing business abroad successfully demands an on-the-ground, in-market presence. But few Canadian companies have the financial resources to set up and maintain branch offices in foreign markets—and those that do face more challenges understanding local culture, business customs and legal and regulatory frameworks.



What's required most often is a local business partner or agent: someone familiar with the particular market who can act on behalf of the Canadian company and represent its interests.

So how do you find and choose such a representative? That's the question *CanadExport* put to trade commissioners Andree Cooligan and Yvon Bouthillette.

### 1. Know what you're looking for

Andree Cooligan's first piece of advice to Canadian companies seeking partners abroad is to clearly define—for themselves—the role they need those partners to perform.

"It's a matter of business planning," says Cooligan. "When your goals for a particular market are well specified, you can then seek out a partner who has the right mix of skills and experience to help you achieve them."

The trade commissioner based in Helsinki notes that this may seem like an obvious admonition, yet in her experience, the

eagerness of companies to find partners who can help them understand the market sometimes prompts them to seek out those partners before they clearly understand what they expect from the business relationship.

### 2. Do the research

Both Cooligan and Bouthillette insist that preliminary investigation is critical before contacting a company, organization or individual abroad. In many cases, the Web is a good place to start. There are also networks in Canada as well as overseas with the ability to put companies in touch with others—bilateral chambers of commerce, for example.

Another useful tool is the Virtual Trade Commissioner. It provides a helpful point of entry to a specific market. The Virtual Trade Commissioner ([www.infoexport.gc.ca](http://www.infoexport.gc.ca)) is an electronic repository of market- and sector-related information that provides business leads and news, and contact information to trade commissioners in some 150 cities around the world. It also gives trade commissioners direct links back to Canadian companies if they learn of potential business leads.

### 3. Put yourself out there

"You must go into the field to discover the environment and evaluate potential partners," notes Bouthillette, a trade commissioner in Ottawa. "Every region is different. There may be weaknesses in the legal or regulatory environment, or nuances of business convention that you can only really grasp by being there and meeting contacts in person."

He recommends involving the Canadian mission in the target region—not only to validate potential partners but also to benefit from the mission's "official umbrella," which lends Canadian companies credibility and authority.

"Involving the mission also sends a signal that your business deal is under official monitoring. This can be helpful in deterring less serious or qualified possible partners," Bouthillette concludes.

### 4. Be prepared to answer questions yourself

Seeking out partners can seem like a one-way activity: you, the Canadian company, is auditioning possible performers for a part in your business "show". But the inquiry should, in fact, go both ways if companies are going to establish solid partnerships.

Canadian firms should be prepared, then, to articulate their business strategies and strengths to prospective partners: what

makes them unique, what differentiates their offerings and how that translates into a mutual opportunity of interest.

Take the Canadian Bank Note Company, for example. Stephen Dopp, vice-president of International Business Development, shares some of his company's experience in the area of establishing in-market customer service agreements in locations as diverse as Chad, Mali, Nicaragua, Surinam and Romania.

"We take a different approach depending on the market. But certainly it's essential to go out yourself and interview potential service providers and get to know them yourself. The other element we invest effort in is training. Once we select partners, we train and acculturate them—making them part of our corporate team. We'll do this on the ground in the region and also bring them back to Canada for training and orientation here. Because really, these people and organizations become our face to the customer: they have to be able to represent us in a way that reflects our values, standards and approaches."

Finally, both trade commissioners say that you should take your time. Don't leap at the first opportunity and don't assume you're protected. The legal environments vary dramatically between markets around the world. Work with your partners and with Canadian trade experts to protect your business deal.

Also, confirm your partner's enthusiasm. If your prospective partner does not seem to be fully behind the deal, don't close it.

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key objectives which Canada is working toward in Afghanistan and is emblematic of the type of contribution the Canadian private sector can make here."

Desjarlais is also hopeful about the country's prospects and advises other Canadian companies looking to do business in Afghanistan to do it quickly.

"At the moment, there is a lot of opportunity in Afghanistan, it is still easy to launch a business and competition is low."

For more information, contact Nathan Naidoo, Canadian Embassy in Kabul, email: [nathan.naidoo@international.gc.ca](mailto:nathan.naidoo@international.gc.ca), and Paul Desjarlais, Interpôles, tel.: (514) 277-2095, website: [www.interpoles.net](http://www.interpoles.net).



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Look for someone else. It can be a tremendous business drain to have to engage in long-distance troubleshooting once business is underway.

Stay on top of things. Don't assume that your partner will necessarily tell you if problems come up: keep doing your homework and checking in with customers.

For more information, go to [www.infoexport.gc.ca](http://www.infoexport.gc.ca).



David Sproule, Canada's Ambassador to Afghanistan (fourth from left), inaugurates the first local shampoo factory in Afghanistan.