

# A Presence in the U.S.A. Can Facilitate Cross-Border Trade

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*The lower Canadian dollar often makes it attractive for US buyers to source products or services in Canada. Canadian exporters can increase their chances even further — with potential US customers unfamiliar with the ease of cross-border transactions — by simply setting up a US image or presence across the border. Here are a few pointers from the Canadian Consulate General in Buffalo.*

The Free Trade Agreement (FTA) between the two countries has already reduced or even eliminated most tariff barriers.

But there are still customs paperwork, returns, customer service and just-in-time delivery concerns, as well as other non-tariff barriers to contend with, that can deter potential customers.

Having a US image or location can also overcome some American buyers' reluctance to deal with a Canadian address — something with which they may be unfamiliar.

There may also be competitive reasons for establishing a foothold south of the border.

For example, consumer mail order companies, business-to-business firms with low value products, or any organization with a product where the expense of shipping individual orders across the border is prohibitive, often establish some form of a US image or location.

## **Do your homework**

Creating an image in the U.S.A. can be accomplished with minimal expense, in a number of ways, without setting up a corporation or subsidiary— and with no US tax implications.

But the first advice is for companies to thoroughly investigate the cost/benefits and examine domestic postal and shipping methods before incurring any additional expense.

Some of this homework can be done by contacting Canada Post's regional offices, or the International Business Relations office in Ottawa, tel. (613) 734-9787.

## **Phone number and mailing address in the U.S.A.**

Remote call forwarding and a US address are the least expensive ways to achieve a US image.

For example, call forwarding is available from the New York and New England states phone company (NYNEX).

The phone listing is in a local US phone directory, but the phone actually rings at your Canadian facility. This way, distant customers can reach you inexpensively.

Mail receiving services can be contracted with a local service firm that will collect your mail and forward it at a predetermined interval.

Mail receiving and forwarding companies provide both inbound

and outbound mail services, rent office space by the hour to meet with customers, and provide secretarial services.

## **Full service, including warehousing**

The last option is a US company that offers all of the above plus full warehousing and other fulfillment services — including picking up, packaging and shipping orders and handling returns.

Some also offer less-than-truck-load transportation services with daily pick-ups and warehousing on both sides of the border.

## **Ask for referrals**

One final note from the Canadian Consulate General in Buffalo is to always ask for referrals from other Canadian companies that use the service, to ensure you are getting the service you expect.

A subsequent article will feature a local firm providing such services to some 400 Canadian exporters.

For more information on establishing a presence in the U.S.A. or names of companies offering such a service, contact the Canadian Consulate General in Buffalo, Commercial Section. Tel.: (716) 858-9500. Fax: (716) 852-4340.