

POTENTIAL CANADIAN-AMERICAN PARTNERSHIPS

Environmental services markets often appear when a law is passed, expand for a few years and then drop back to a subsistence level. This short cycle means that few companies are in a position to devote themselves entirely to environment-related activities or to make long-term plans in this field.¹

"The environmental market will not automatically belong to Canadian companies. Canadian firms can expect competition from foreign companies, particularly U.S., Japanese and European firms, in most market segments. These foreign firms, especially the U.S. based firms, represent a significant threat to Canadian environment companies because of their financial resources, skills and experience."²

"The key element for Canadian...firms is to ride their own niche areas of expertise into the U.S. market using the broadest possible network of contacts, information, and alliances."³

There are countless examples of Canadian inventions which have not been used, either because methods of industrial production at a competitive price were lacking or because no marketing effort was made.

A product is the result of the meeting of technical discoveries with needs expressed by a market, indicating that a certain problem needs to be solved or a certain need satisfied. This encounter of technological potential with the market is one of the most important features of modern society.

In this respect, the United States has already spent considerable sums on large environmental programs and consequently they enjoy a certain advantage over Canadian firms. However certain Canadian companies have developed expertise in water and wastewater and they should work to develop niches on the huge U.S. market. For this purpose, a key tool must be partnerships and strategic alliances with big American companies. It is necessary to go beyond mere trade and move resolutely toward alliances. This will allow aggressive Canadian firms to place themselves advantageously on the U.S. environmental market without necessarily having to make enormous investments. The result will be savings in time and money, as well as a focus on what each partner

¹ Les alliances stratégiques : passeport pour l'Europe, Canada-Europe 1992, External Affairs and International Trade Canada, p. 62. [original English not available]

² Human Resources in the Environment Industry (Summary Report), Employment and Immigration Canada, November 1992, p. 10.

³ Penetrating the U.S. Environmental Market : Prospects and Strategies for Canadian Consulting Engineers, U.S. Eastern Seaboard Focus, External Affairs and International Trade Canada, February 1992, p. iii.