

Habits of highly successful global entrepreneurs

What habits are linked to entrepreneurial success abroad? Is it all risk-taking and dynamic deal-making? And how important is it to look before you leap?

CanadExport sought to answer to these questions by interviewing three Canadian companies. All three companies place a high value on researching their target markets and all three have tapped into the Government of Canada's online Virtual Trade Commissioner to find information specific to their sectors and markets.

For Vancouver-based Falstaff Enterprises, a consulting and communications services business, market research is not only key to the company's past success, it has become an integral part of owners Hendrik Slegtenhorst and Gloria Steel's strategy for the future.

The husband and wife team is carefully developing a comprehensive plan to export primarily artistic goods to target markets in Europe and the U.S. As with any owner starting a new venture, the accuracy and timeliness of their sources of information is essential.

"The market reports I've downloaded have been thorough, current and of exceptional quality. One report in particular was right on the money. It helped me update and refine my research," says Slegtenhorst, who has configured his business profile within the Virtual Trade Commissioner to alert him to specific market overviews and briefs.

"It would be nice to follow what the motivational speakers say—just think it and it will happen—but that's not realistic. You have to learn everything you can before you make your move."

Kevin Russell, Vice President of Avcorp Industries Inc., which designs and builds aircraft structure assemblies for clients like Boeing, Cessna and Bombardier, knows he could search for similar market information elsewhere, but notes it would take more time and money. With 650 employees at its Delta, B.C. facility, annual revenues of about \$100 million, and 50 years in the global aerospace industry, Avcorp didn't get this far without being careful as well as confident.

"If we can access credible market research in one place, we're there," says Russell. "These reports are part of the preliminary groundwork you've got to do, and we always do as much homework as possible before we enter a market."

WorleyParsons Komex, a mid-sized environmental consulting company with offices in Calgary and abroad, also follows a "leave-no-stone-unturned" approach where market research is concerned.

"We've drawn a range of useful data from these reports: market dynamics, cultural aspects, business climate, key players and legislative frameworks, to name a few," says Roy Hunt, engineer and spokesperson for WorleyParsons Komex.

"To evaluate a new market we'll look at all the available information from our various sources, however, these market reports in particular offer a credibility and a Canadian perspective that's not available elsewhere."

Judging by the feedback from these three companies, doing your research using trustworthy sources may be obvious advice, but it bears repeating. One company described exporting as a bit like skydiving—better to learn all you can before you make the jump.

The Trade Commissioner Service's Market Research Centre offers more than 900 market information products, available online via your Virtual Trade Commissioner. To register, go to www.infoexport.gc.ca. ◀

Trade agency makes virtue profitable

A majority of Canadian exports are made up of products that are first imported. That's the concept behind the global value chain and one that is not lost on Canada's Trade Facilitation Office (TFOC), a non-profit organization which acts as a partner for importers looking to source from emerging or developing markets.

Since 1980, the Canadian International Development Agency-funded organization has been trying to make virtue profitable by linking up Canadian companies looking for more cost-competitive imports with developing countries trying to take advantage of opportunities in global trade.

"We help developing countries and economies in transition to increase their involvement in world trade and to open the door for Canadian importers to find new suppliers which can lower their costs, increase their competitiveness and lead to long-term investments in new markets," says Dwayne Wright, the executive director.

Over the years, TFOC has helped stimulate growth between Canada and some developing countries. While the organization works mainly with Canadian importers, Wright says exporters benefit too.

"The virtuous circle of lower input costs, lower product prices, a wider variety of goods and increased sales benefits both producers, exporters and consumers in Canada," says Wright.

Lower labour and material costs

Labour and raw material costs in emerging and developing markets are lower, and in the case of suppliers from the least-developed countries, their goods are not subject to quotas or duties. They are also increasingly competitive, continually improving quality and directly targeting the Canadian market he says.

Wright cites the example of Worldwind Canada, an importer of produce, which met with Costa Rican exporters during a trade mission in 2004. Within a few months,

the company was importing about half a million dollars a year of habañero peppers.

Wright says these types of missions have enabled Worldwind to add green papayas and mixed vegetables such as yucca, chayote, pumpkin, yams and other tubers to their inventory. It is now doing millions of dollars of trade annually with Costa Rican suppliers and the products are lining Canadian supermarket shelves.

"We have found that participants of these missions are willing to work hard for the business and we take full advantage of the services offered by the TFOC and the missions they set up, as well as their assistance in finding new suppliers and products," says Naren Singh of Worldwind Canada.

As a result, Canadian businesses like Worldwind are gaining entry to the world's fastest-growing economies in Asia, Africa, Latin America and the Caribbean through the matchmaking services provided by TFOC.

But the benefits also reach beyond Canada's borders.

Overall, imports from developing countries to Canada have shown a strong increase since 1999, with imports from the least-developed countries tripling in that period.

"This translates into jobs, business for ancillary services, and increased savings, investment, foreign exchange and consumer spending in the countries of origin. It also puts some of the world's poorest countries on the path to economic self-sufficiency, freeing up aid dollars to be used elsewhere," says Wright.

Interested Canadian importers should visit the agency's new website at www.tfoc.ca which provides Canadian companies with practical advice, a searchable database of export offers from more than 2,000 suppliers, and a customized news bulletin to help source new products or suppliers from developing and transition economies.

Companies can register automatically online, at no cost, and then manage their own files using private passwords. This enables companies to tailor their profiles to ensure that they receive the most accurate and useful information available. Business contact information remains confidential. ◀



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