

Assisting the Services Exporter

By Doreen Conrad

Did you know that ...

- Canada's services sector accounts for over 78% of employment and 90% of new jobs
- Services represents 75% of GDP
- The services sector represents almost 70% of all Canadian SMEs
- Business services represented Canada's second top export in 1993

If you have not yet had the opportunity to work closely with Canada's services sector, chances are you will soon. The *Services Industries and Transportation Division* (TPS) has launched an outreach program to promote services exports and educate firms on marketing and exporting their professional services.

Canada's services sector is comprised of thousands of primarily SMEs. Of the incorporated businesses in Canada today, with under fifty employees, the services sector represents almost 70%. There is no single industry association for the services sector and there are well over 80 sub-sectors. Many of these sectors are technical in nature, and the employees are therefore unskilled at marketing. This becomes a major issue, since selling services is almost entirely relationship marketing. Most services firms are not aware of and/or have not taken advantage of government assistance programs (less than 20% of the firms in WIN are in the services sector).

Services industries can be

divided into two types: "pure" services (accounting, training and education, consulting and legal), and services incidental to the delivery of a good (computer, transportation, construction and oil and gas).

For those of us who have worked closely with services exporters, we've learned that some of the conventional trade development programs sponsored by the Department may not work for services firms. For

services exporters would ask about meeting top executives or potential referral sources, since the principal of the firm is likely to deliver the service him/herself, the client will want to meet directly with that individual.

One of the best ways of helping service exporters is by providing them with profile and credibility in the market. Since clients are purchasing intangibles, they rely on referral sources such as word-of-mouth or the

business press. We have found that even a small mention within the context of a larger article can result in dozens of sales leads for Canadian services firms. It is therefore critical for exporters to position themselves as world-class, innovative winners with a track record.

Partnering is the recommended market entry strategy and firms are increasingly being encouraged to network with other Canadian

services exporters who might be active in the same market. Many trade officers who work with services firms often "cluster" similar sectors for participation in a trade mission (eg. architectural, interior design and construction services). As well, gaining an understanding of the cultural differences is absolutely necessary before firms come face-to-face with potential clients or partners.

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In which services are Canadians competitive?

<i>Architecture</i>	<i>Geomatics/GIS</i>
<i>Agricultural consulting</i>	<i>Health care services</i>
<i>Commercial Education</i>	<i>Management consulting</i>
<i>Environmental services</i>	<i>Consulting engineering</i>
<i>Telecommunications</i>	<i>Design services</i>
<i>Resource-based consulting</i>	<i>Surveying and mapping</i>
<i>Translation</i>	<i>Transportation</i>

example, many service sectors are not interested in trade fairs, since they have nothing tangible to exhibit. Conferences or seminars are better showcasing opportunities.

As well, requests for information from services exporters are very different from product exporters. The type of information required by services exporters include a general "feel" of the market and networking venues where they can meet influencers and possibly other Canadians. While product exporters may be seeking distributors and shipping information,