Comments on civil works business development costs:

- It is expensive to bid. A bid bond of 5% of the total project cost is common. For a large project this means a substantial amount of money tied up for several months. This is expensive. However, EDC insures the bid bond so it does not affect the company's line of credit. If the work is won, a performance bond of 10% of the total budget is common. [45]

- The marketing effort needed is three or four times as much as needed to get equivalent business in North America. [24]

- Proposals are a risky investment. They take about 3 to 4 person months to prepare. [28]

- It is a costly marketing business – it takes about two person months to prepare a winning proposal. [30]

Comments on goods/equipment business development costs:

- International tendering is a different sort of business from work in Canada. In Canada, the client will normally order for delivery over a period of time so the flow of materials does not require large inventories. Internationally, a large order comes now and then with little in between. This makes inventory management more difficult. [45]

- Financing the initial stages of marketing and work development is expensive and difficult to justify in a developing country. In an employee-owned firm there are always directly competing demands for the half million dollars that might go into establishing a presence in a new market. [32]

- "Breaking into the IFI market requires a considerable investment of time and effort." [42]

Comments on services business development costs:

- There is a *"large front end investment needed"* [in the order of $US20,000 to $US30,000 to prepare a proposal. This makes proposals a risky proposition. [10]

- The borrower countries can be dangerous to work in. One of the young analysts on a company project in China was killed in a traffic accident and, in addition to the human tragedy, was difficult to replace. [10]

- CIDA rates are too low. Therefore a lot of Canadian firms do not bid for CIDA work and therefore CIDA does not know about the capabilities of many firms. [10]

- The terms and conditions of CIDA INC are too niggardly. *"Our costs are way above those allowed."* [the company's costs are a multiple of 2.4 times salary, and CIDA INC allows 80% of 2.0 times salary = 1.6 times salary, with a limit of $500 per day]. [11]