

- By constructing many of the Japanese-financed capital projects, several Japanese firms have benefitted from the huge amounts of Japanese investment flowing into the United States. In penetrating the market, it would clearly be helpful for Canadian contractors if Canadian developers, engineers and manufacturers were similarly aligned with Canadian construction firms. To date, this does not appear to have been the case. Perhaps it would be possible for the CCA, along with the federal industry and trade departments, to foster these ties with Canadian engineers and developers more aggressively. Certainly, there is room for individual Canadian firms to more closely align themselves with individual Architectural-Engineering firms, developers, transit authorities, manufacturers and materials suppliers. Such a path is recommended.
- Canadian firms should generally adopt a local partner as a means of conducting work in the United States. Although this may also seem to be obvious, firms have in previous instances entered into geographic markets where they lacked the "local know-how" and lost money on the project because of friction with the unions or with the state government inspectors. The local partner should have knowledge of the "little" things such as local lawyers and bank managers, as well as having smooth relations with local union leaders and government officials. As firms become better established in the U.S. region and develop their contacts with labour, industry and government, the need for local partnerships becomes less critical.
- The formality of client transactions should be handled through a locally-established office. Indeed, the economics, project location, and future plans may be such that the Canadian firm may wish to post staff in this office on a permanent basis. The hiring, firing, and subcontracting in many instances is best left to the local partner (with joint consultation), particularly if local unions and governments are involved. While unionization has been declining in the American industry for several years (see Section Five), we have nonetheless encountered instances where Canadian firms were plagued by local American unions and inspectors to the point of virtually being bankrupted.

There is formal or informal local favouritism in many instances, and Canadian firms should be prepared for this. However, the clients tend not to distinguish Canadians from out-of-state firms, and in this sense there is no foreign discrimination which is not also applied to a firm from another state. In preparing plans, or in staffing the project management and project engineer for their American activities, Canadian firms do not appear to have had difficulties using some resources from their Canadian offices.

- At some point, potential entrants will have to decide to "get out there and do it". Bid documents are generally not difficult to obtain - for example, a Canadian waterfront-design engineering firm which currently does four-fifths of its annual business in the United States has reached its profitable stage through linking with local firms and presenting its relevant expertise in a proposal. The firm's partners suggest that appropriate expertise, proper local partners, efficient bidding, and tight control of overheads should land contracts without a huge front-end expense. Canadian construction firms from British Columbia to the Atlantic could also follow this strategy.
- Firms should obtain some knowledge of the local environment prior to bidding. Through visiting the region of interest and through attending the types of meetings that can be arranged by the local Canadian Consulate¹, the firm will gain valuable knowledge of the region.

¹Officers with the thirteen Canadian Consulates (and fourteen satellite offices) in the United States have often established good contacts and have sufficient goodwill to open doors for Canadian firms. These officers should be used by companies when entering a particular region.