

8. Recommendation

8.1 Doing Business in Thailand

The basic rules of success in doing business in Thailand are to plan one's marketing strategy on a long term basis and to be present in the country as frequently as possible. This can very well be demonstrated by the success in this market of most Japanese companies and some European companies.

It is not uncommon in Thailand for a process of project feasibility study, specification drafting or tender document preparation and tender issuance to take 4 to 5 years to complete. Getting in touch with the executing agency in the early stage provides a company the advantages of

a) Being able to obtain first hand information of the project for the company's planning purpose and

b) Being able to influence the tender specification so that it places the company in a more favourable position or the competitors in less favourable position. Visiting the clients frequently gives an impression that the company is really enthusiastic to do business with them.

Frequent visit of a company also implies that it will provide strong marketing support to the local agent and good aftersales service to the client.

8.2 Forms of Business Structure

As Canada is half the world away from Thailand, it is almost impossible for a Canadian company to efficiently and economically monitor the market development from its home-base. In this regard, the company may consider adopting one of the following approaches

A) Setting up its own representative office

B) Establishing its own branch office

C) Appointing a local company as agent or representative

D) Forming joint-venture with a local company

A) Representative Office. Under Thai Business Act, this form of business is not allowed to perform any direct business transaction in Thailand. Its role would be mainly to support its headquarters' activities in Thailand by acting as a liaison between its headquarters and clients.