

MARKET ENTRY STRATEGIES

Partnering with Mexican firms is the best way to learn about the market and gain access to key decision makers.

Canadian companies who do business in Mexico face a variety of linguistic and cultural challenges. Although most Mexican firms have English speaking personnel, working in Spanish is strongly preferred. To Mexicans, this suggests an attitude of interest and respect.

Mexican customers and partners expect a high level of attention and follow-up. Informality dominates at many levels and negotiations must frequently follow a social hierarchy. Personal contacts are essential and must be cultivated. Sometimes "extra" payments are requested, and Canadians must learn to avoid them without being intimidated. Economic conditions have also made financial concessions and price flexibility a key to securing deals.

PRIVATE SECTOR FOCUS

Although governments account for some 80 percent of Mexican geomatics purchases, the private sector tends to drive the market through its own needs-identification initiatives. Identifying a need, developing a solution and submitting a proposal is a good way to introduce new technologies. This definitely requires a persistent approach, especially for Canadian companies that are not well-known in Mexico. Needs are identified primarily through ongoing client contact. An established presence is, therefore, more important than participation in individual projects.

In many cases, expanded access to the major private players is a more effective route of market entry than direct end-user contact. For example, ARC-INFO has no direct contact with government departments: the Mexican partners handle all of the marketing.

So far, Canadian participation in this sector has been mostly large, one-shot government contracts such as those with the *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, and the *Secretaría de Desarrollo Social (SEDESOL)*, Secretariat of Social Development. These projects were supported by the Government of Canada. There are a limited number of such opportunities, and Canadian companies need to build stronger links with the private sector in Mexico, where smaller contracts can be arranged in on a more regular basis. Such a strategy would also focus more closely on niche markets where Canadian services are in greatest demand.