

A NEW LOOK AT EXPORTING

Put Your Best Foot Forward!

Our readers responded with interest to the publication of business opportunities in Singapore, leading to more than 150 exchanges between firms in Canada and Singapore. Many Canadian firms submitted serious proposals; others were just on a fishing expedition.

One Canadian firm wrote to a Singapore businessman:

"We can provide you with the products you seek on a regular basis at a competitive price. We will ship you these products promptly upon receiving your order along with an irrevocable letter of credit covering the purchase price."

The Singapore businessman may be polite enough to reply, but he will not be very well informed about the Canadian firm, its products and its expertise.

This letter suggests a firm with a virtually non-existent product line that thinks it will find suitable suppliers to meet any need when the time comes.

By immediately insisting on an irrevocable letter of credit before even discussing business, the firm is telling the businessman, "You are too far away and too much of a stranger for us to trust you, no matter who you may be."

A reply to a business proposition should:

1. Introduce the replying firm and outline its operations, its location, how long it has been in business, and its achievements.
2. Introduce the products and services that the firm offers, providing detailed catalogues.
3. If possible, give an idea of the CIF (cost, insurance and freight) price and, at the very least, the

FOB (free on board) price.

4. Specify the terms of payment and any available financing.

5. Introduce the person signing the letter.

Everyone that I met on a recent trip to Asia stressed the importance of personal contact. Their decision to buy a product or service often is based mainly on the confidence that you have inspired in them. The decisive factor in the transaction will be people rather than products.

I advise representatives of firms planning a business trip to send a brief biography (a few paragraphs on the items that you wish to emphasize) to the people that they are going to meet, just as consultants provide their curricula vitae to market their services. Given the importance of personal relations in many parts of the world, the same approach will prove useful to those who supply products.

Firms advertising the products that they seek in the columns of *CanadExport* do not have an urgent need for these products. They often wish to complete a product line. They may be looking for alternatives to the products that they already represent. They may wish to see how competitive their present suppliers are.

Whatever their motives may be, I have seen the results of proper approaches that have led to the establishment of beneficial business relations for all kinds of reasons not obvious at first glance. Two Ontario manufacturers beat out their competitors in Singapore by supplying products that were more expensive but far more luxurious and filled the needs of a particular niche.

Initial contact with a prospective customer is very important. This contact is often in writing. Your letter must give the impression that you are a serious-minded professional and show that you genuinely wish to satisfy your customers. Your letter must arouse interest and answer any questions that a prospective customer in search of a product or service may have. If you write asking for explanations, you won't meet any of your potential customer's expectations.

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