
and, above all, the word of the firm's own banking connections. The search for further information will not only provide a broader base on which to make the final selection, but also afford manufacturers the opportunity to become better acquainted with trading house activities. This will, in turn, develop greater confidence in the trading house and place the manufacturing firm in a better position to set objectives and plan ahead.

Building an Effective Partnership with a Trading Company

It cannot be overemphasized that the trading-manufacturing partnership will work only if both parties remember that it is meant to be a mutually profitable venture. Both must contribute their best efforts. Once this spirit of co-operation has been established — when objectives, strategies, and respective rights and obligations have been clarified — then, and only then, is it time to put these terms on paper.

According to Jack Martell, president of Martell Exporting Ltd., before undertaking any transaction, the trader and manufacturer will have to reach a clear understanding on the key dimensions that follow.

Product Coverage

Manufacturers usually carry several product lines. Which lines, and which products within each line, will be exported first? Which will be introduced later? For the firm, these decisions will depend on export capacity and the international competitiveness of each product. The trader will be guided by his or her product knowledge, own product mix and sense of foreign market demands. Decisions in this area should thus be made jointly by producers and traders.

Product Knowledge

A manufacturer will expect domestic marketing and sales staff to know the company's products inside out. Manufacturers rightfully fear that, otherwise, poor sales practices would result. There is no reason a manufacturer should expect less from a trading company. A trading company is, after all, the manufacturer's marketing arm abroad. A good trader will try to gain a thorough knowledge — including specifications and production process — about the