

- The general market's acceptance of, or resistance to, new products or services
- The need to win customer acceptance by adapting your Canadian product to accommodate local preferences in size, quality, colour, packaging or sales methods

A new high quality product, backed by strong customer service, now accounts for one-third of our total sales. Exports made it possible.

*D.L. McInnes,
President and Chief Executive
Officer, Saskatoon
Chemicals Ltd., Saskatoon,
Saskatchewan, a 1987 Canada
Export Award Winner*

Regulations

Each country has its own regulations concerning such areas as measurement systems, health, safety and technical standards, and packaging, marking and labelling requirements.

Terms of payment and currencies

Your market profile will include the country's customary terms of payment as well as the currencies it uses.

It is recommended that sales to new customers be conducted on a confirmed, irrevocable, letter-of-credit basis. Further details are available from any major Canadian bank.

Exporters should use the International Chamber of Commerce (INCO) trade terms (CIF, FOB, etc.) when preparing quotations. Full information is available in the publications *INCOTERMS* (publication #350, \$16.00) and *Guide to INCOTERMS* (publication #354, \$25.00). To obtain copies of these publications, contact the International Business Council of Canada, 1080 Beaver Hall Hill, Suite 1730, Montreal, Quebec, H2Z 1T2. Tel: (514) 866-4334.

Distribution

How are importers in the target country organized and how do they prefer to operate? What are their customary mark-up or commission rates?

You will need to learn a lot about their preferred way of doing business because being able to adapt to local business practices can sometimes work to your benefit over a not-so-knowledgeable competitor.

The local market structures and buying systems will help suggest how you should go about distributing your product. Will a single agent be sufficient or should you have a number of sales representatives?

Appointing the right agent or agents is important. Ask questions such as: Are they already calling on you to get customers? Are they familiar with your industry? What representation do they already carry? Get it right the first time because many countries have laws which make it costly if you want to make changes later. Try to protect yourself as much as possible by, for example, entering into a one-year trial agency agreement.

Should you carry local inventory? What should be the size and frequency of shipments? You will want information on the adequacy and cost of international transportation and of inland transportation from the port of entry as well as the likelihood of negotiating commodity rates for recurring shipments. Freight forwarders can help if you don't have the knowledge.

When you're dealing with agents, watch for complementary products and avoid competing lines.
