

Young Specialty Food Company Gets First Taste of Exporting

New Exporter of the Month

A budding company ready to celebrate its first year in business, Norstar Foods Ltd. has already acquired its initial taste of exporting after a successful entry into the U.S. specialty food market.

The four-person operation based in Concord, just north of Toronto, began exporting to help its cash flow. Its first export success involved a lot of hard work — together with some good government help.

First steps into the market

"We started investigating the U.S. market almost from day one," says Norstar president James Muccilli, "by participating in a New Exporters to Border States (NEBS) mission to Chicago that coincided with the Food Marketing Institute's Grocery Showcase (FMI), also held in that city, in May 1997.

"Our participation in both events allowed us to gain some valuable market information, such as product and pricing comparisons," Muccilli adds. "We were also able to offer samples of our Italian dessert tiramisu to potential U.S. customers at a post-FMI reception organized by the Canadian Consulate General in Chicago." The company received valuable help from Commercial Officer Kam O'Keefe, including an extensive briefing on U.S. market conditions — with American food experts in attendance — and information on food services, brokers, retailers, and private-label companies.

"The government is a good source of help," says Muccilli. "It was Carol Kerley, at Agriculture and Agri-Food Canada in Guelph, who alerted me to the NEBS mission; Canadian Trade Commissioner Service presence was very useful in both Chicago and New York; and Ontario's Minister of Economic Development, Trade and Tourism, Al Palladini, provided good advice."

From leads to solid business

The next step in Norstar's game plan was to participate in the New York Fancy Food Show with both its new lemon-flavour tiramisu and its traditional tiramisu, winner of the 1997 Canadian Grand Prix New Product Award in the All-Canadian Category.

With leads from these shows eventually turning into clients, the company began shipping last fall to customers in New York, Massachusetts, Texas and California, which have bought close to US\$100,000 worth of its products. With leads from the FMI still to follow up on, Muccilli projects his 1998 sales to reach \$1 million.

Advice on tackling the U.S. market

But getting established in the United States is no easy task. "The U.S. ways of doing business are different," says Muccilli. "American retailers and distribution networks are more aggressive because they have a bigger pool of companies and products to choose from in their own backyard. So they might be more reluctant to take a risk with a small foreign company."

Muccilli advises companies to make sure they have hands-on experience before they look for agents, brokers and distributors: "Talk to other companies in a similar line of business to find out whom they deal with, and focus on smaller companies in that huge market."

Success, according to Muccilli, boils down to having a good marketing plan and executing that plan in a specific market, targeting two or three companies, chosen

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