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Ask seven questions when evaluating a foreign supplier

One of the keys to successful exporting is limiting the “unknowns.” For some, this includes foreign suppliers. Success is more likely when Canadian exporters have a sound understanding of all the elements of the export process.

A foreign supplier can play an important role in an export venture. The supplier may be a strategic partner providing a key component of a product or service. This could be a raw material for a processing operation or a value-added item required to make the exportable commodity or service complete. Regardless of the role of the supplier, experts agree that there are seven questions that require thorough answers before an exporter decides to work with a foreign supplier:

What is the company's history? Exporters can put their research skills to good use to obtain information about the supplier's reputation and background.

What do you know about the key personnel? All relationships are new at some point and it takes time to reach a level of comfort. Take the necessary time to find out if the supplier is new to the business or an established player. Ask for references and follow up on them. If a supplier has nothing to hide, he or she will not be upset by a few questions.

Does the supplier have experience with Canadian companies? If possible, seek out any Canadian businesses that have worked with the supplier. Ask them about their experiences, both positive and negative.



When it comes to exporting, look before you leap.

Does the supplier have a sound financial history?

While access to information varies from country to country, it is often possible to determine whether a company has had financial difficulties. A financially challenged supplier can create unwanted challenges for exporters.

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