

Chapter 2

What Your Company Offers an Agent

The main purpose of this chapter is to emphasize how important it is for your company to sell an agent on what your product line can do for the agent's business. Does this seem a backward approach to take when seeking new export sales? If it does, all the more reason for taking a few minutes to see if you have all of the following bases well covered in your marketing plan.

Communicating Your Capabilities

After you have met with your own company executives and made the initial decisions about the extent to which you are prepared to market in the U.S. through manufacturers' agents, you must write a concise summary introducing your product and company to Canada's trade commissioners in the U.S., as well as to the agents you will soon meet. Everyone who can help you will be brought on side much more readily if you present your background information and goals in an organized manner. This will show the effort your company is willing to make to penetrate the new market area.

A checklist of points to include in your outline of market objectives and information about your company's capabilities follows:

1. Domestic market success

By what means are you distributing your product in Canada? Give some indication of your success in terms of value and volume of sales per year and the main categories of customers in Canada. A list of a few customers should be provided as a reference. If you are using indirect sales representatives in Canada, how are they doing in your estimation? Provide sales statistics to support your example.

2. Past approaches to the U.S. market

Do you have any experience in selling to customers in the United States? Have you participated in any trade shows there? Has preliminary market research indicated that major changes to your product components or packaging may be necessary to meet customers' requests or standards regulations in the U.S.? The U.S. Food and Drug Administration, for example, issues product composition standards for many industry sectors. Packaging and labelling information is available from:

United States Tariffs and Market Access Division
(UEA)
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario, K1A 0G2
Tel.: (613) 991-2056
Fax: (613) 991-4840

3. Selected market region in the U.S.

Have you determined which region of the United States to target first? Secure the advice of trade commissioners at the Canadian consulates and satellite offices about market segmentation of sales agents' territories. Refer to Appendix 6 for the territorial responsibilities of the Canadian government's posts in the United States.

The states closest to the Canada/U.S. border are usually the best areas for Canadian exporters to start penetrating the U.S. market. It is suggested that you open up two or three territories simultaneously to better assess agent performance.

As a general reference, look at the map "Typical Marketing Areas" in Appendix 1. The Manufacturers' Agents National Association (MANA) has designated the territories marked on this map as suggested marketing regions. Your product, types of customers, and their frequency within a geographic area, as well as the agent's established territory, are all important in deciding how large your initial market territory should be. There is no standard guideline for the size of your first market territory.