

APR 24 1997

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# SERVICE

# I N D U S T R I E S

24 1997

Volume 1 Issue 2  
February 1997

## The Service Industries Newsletter

Following the positive response we received with the first issue of the Service Industries Newsletter, we're back with this second issue of tips to help services firms compete in Canada and abroad. This newsletter, brought to you by the Team Canada partnership of the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada, has three goals: to let Canadians know about the contribution of the service sector to Canada; to give services firms information that would be useful to their domestic and international transactions; and to help engender a common identity among Canadian service firms.

### So, Where Are You Going To Find Financing? EDC May Be The Answer

**C**ongratulations! You've done all your homework before going abroad...you've established your profile in the target market...and now you have just clinched your first contract. Great. But, now you need money to finance the deal and some sort of protection against non-payment. EDC can help. EDC (Export Development Corporation) is a federal Crown Corporation which provides a full range of financial services to assist Canadian exporters of all sizes and from all sectors - including services.

**F**irst, insurance: EDC provides export credit insurance that is fully available to services firms, from small one person offices to large multinational firms. With this insurance, you can be protected against 90%

of a loss if your foreign buyers don't pay. And here's a bonus: you can often use the EDC security to get working capital from your bank.

**S**econd, financing: EDC can offer financing for foreign buyers of Canadian services related to capital projects and training, as well as some other services. The *pre-sales benefit*: the service can help improve your competitive position by providing your foreign customer with financing along with your sales package. The *post-sales benefit*: EDC will generally finance up to 85% of the Canadian service, will pay the exporter cash and take care of the loan repayments from the foreign buyers. The *post-delivery benefit*: EDC also offers performance security insurance and

guarantees to protect exporters against wrongful calls on bank guarantees and to protect the banks against rightful and wrongful calls on bank guarantees.

**W**here to get help: Services firms seeking assistance from EDC can contact the Emerging Exporters Team at 1-800-575-4422. This team, set up to help companies with annual export sales of less than \$1 million, assists smaller firms by providing quick decisions and eliminating red tape. The specialists on the Team can take applications for EDC services directly over the phone in as little as 15 minutes.

#### Our Feature Web Site

A regular corner featuring WEB sites of particular interest to Services Exporters.

**Position Yourself Strategisly:** For the umpteenth time you decide to get on the Net to find business-related information. You plug in a few key words into a well-known search engine and, lo and behold, the search results in 104,561 hits. Even if you should want to waste your billable hours going through all these hits, 99% will probably be completely unrelated to anything you're interested in.

Here's an alternative: consider using *Strategis*. *Strategis* is Canada's largest business Web site, providing easy, well organized access to Industry Canada's information resources including: 60,000 reports, 500,000 pages of searchable text, two gigabytes of statistical data, and hot links to other key business web sites.

*Strategis* can be accessed at <http://strategis.ic.gc.ca>

#### Have you passed the "Elevator Test" ?

**C**onsider the following scenario: you get on an elevator while meeting potential clients in a new market. A hot new business prospect gets on as well and asks you what kind of service you provide. If you are like most of us, chances are you may have reached your destination before she fully understands what you do. Sometimes, it can be hard to be succinct when you're put on the spot!

For services firms, the ability to communicate clearly and quickly (in 25 words or less) what your firm does, why clients should buy from you and what distinguishes you from your competitors could make or break a new business encounter. Think about it and take the elevator test today!

**W**ant to find out more about services exporting in general? The elevator test and thousands of other interactive pages of information on exporting your services can be found on *Take a World View...Export your Services*. This user-friendly software, a joint effort of the Department of Foreign Affairs and International Trade, Industry Canada, and the private sector, puts all the information you need to know about exporting services at your fingertips.

To order your copy, call the Canada Communications Group at 819-956-4800. For Visa or Mastercard fax orders only, contact: 800-565-7757. Cost is \$49.95, plus GST and shipping and handling.

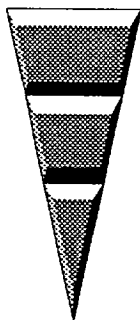
#### Services Marketing Spotlight

##### A little corner devoted to marketing services overseas

Compared to marketing goods, marketing services is as different as apples and oranges. Put it this way: you can kick the tires of a new car and take it for a test drive, but you certainly can't do the same for a new service! When you're marketing services, you're basically marketing an intangible.

For this issue, we would like to leave you with the five golden rules for marketing services abroad:

- Ⓡ Build profile and credibility in target markets;
- Ⓡ Consider partnering;
- Ⓡ Cultural considerations are key for services firms;
- Ⓡ Create clients by building relationships
- Ⓡ Ensure promotional materials are world class.



Department of Foreign Affairs and International Trade



Industry Canada

This is a joint newsletter of the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada. We gladly welcome feedback, success stories and any experience you would like to share that has facilitated the export of your service. Fax us at 613-996-1225. For general information, contact the InfoCentre at 800-267-8376 (in Ottawa 944-4000)

