

MARKET ENTRY STRATEGIES

A local presence is essential and a Mexican agent or partner is a good way to get established. However, it takes time to understand the market and its players.

ESTABLISHING A LOCAL PRESENCE

Canadian firms that have been active in Mexico stress that establishing a local presence is essential for success. This can mean retaining the services of a Mexican representative, agent or subcontractor, or establishing a strategic partnership with a Mexican firm. Alternatively, a Canadian company may open its own office in Mexico. It is important to demonstrate a commitment to the market and assure clients that after-sales service will be available.

Canadian business people with experience in Mexico inevitably comment on the need to commit time to developing business there. It takes time to understand who the key players and buyers are in the industry and the requirements for food processing equipment. A firm must take a long-term approach to marketing in this highly competitive environment.

In order to overcome the transportation cost disadvantage, some firms may consider manufacturing all or part of their product in Mexico. A co-manufacturing agreement or a technology alliance with a Mexican company is a common way of doing this. Companies are advised to seek a strong local partner and to investigate Mexico's foreign investment regulations when considering this approach.

Aligning yourself with a local agent, representative or partner can be extremely beneficial and speed up your market entry. Finding the right partner can pay for itself a thousand times over.

FINDING AN AGENT OR DISTRIBUTOR

Experienced distributors and agents for food processing equipment products are easily found in the three main commercial centres — Mexico City, Guadalajara and Monterrey. Very often local equipment manufacturers are prepared to act as distributors for foreign equipment in an effort to extend their product line. A listing of some major manufacturers and distributors is included in the section entitled Key Contacts in Mexico.

Distributors are commonly found through contacts made at food industry trade shows. Many experienced distributors are members of regional or industry associations. These associations can be important contact points for finding qualified distributors or disseminating information on new products. In the major cities, the *Cámara Nacional de Comercio (CANACO)*, National Chamber of Commerce, will provide a listing of distributors in various product sectors. There is a fee charged for this service which depends on the number of names provided.