

Case #5 A one-person company trying to market its invention abroad

A Canadian entrepreneur has developed a new technology for plastic shopping bags that allows the bags to remain upright, making them easier to fill and rest on flat surfaces. Although she has not made an attempt to market her product in Canada, she decides to contact posts overseas to see if they will assist her in marketing her new idea. The Trade Commissioners at post wonder if she is a client of the TCS.

Answer: No.

Although the entrepreneur has come up with an innovative idea, as a one-person operation that does not appear to have any international business experience, it is unlikely that she has the capacity for and commitment to internationalization. The post has to evaluate whether the idea has a significant capacity to bring economic benefit to Canada. Plastic shopping bags are becoming less prevalent in a number of markets overseas and may be difficult to sell in large quantities. Further, since this entrepreneur has not made any attempt to manufacture the bags or commercialize her technology in Canada, merely selling the idea overseas will deprive Canada of all the possible downstream economic benefits of commercialization.

The company should be referred to a Canada Business office in order to obtain advice and develop a business plan before soliciting the assistance of the TCS in foreign markets.

Case #6 A Canadian company sourcing inputs abroad

A Canadian wood flooring manufacturer contacts a post in South America looking for a list of potential suppliers to source exotic wood, which it will then process in Canada into wood floor boards. 99% of the company's production is then exported to other countries. Is this a client of the TCS?

Answer: Yes

Canadian companies that import goods only for resale in Canada are not usually considered to be clients of the TCS, since it does not contribute significantly to Canada's economic growth (i.e. it does not create new wealth for Canada).

However, in this case, sourcing this specialty wood abroad allows the Canadian company to diversify its flooring selection. The transformation in Canada of the imported wood into floor boards gives it an added value created in Canada. Its resale abroad has the potential to contribute significantly to Canada's economic growth, even if the raw materials are obtained abroad. As part of the department's Integrative Trade Model, Trade Commissioners should support Canadian companies' efforts to produce their goods and services at lower cost or to expand their product lines to make them more competitive internationally.

In this case, the post served the client by providing them with a list of potential wood suppliers in the country. To foster Corporate Social Responsibility, the TCS should only provide the coordinates of suppliers that are known to practice sustainable forestry.

However, posts that receive these types of sourcing requests should keep in mind the "Globe & Mail test": what if the G&M reported that TCS is helping Canadian companies to source exotic woods from suppliers that have unsustainable forestry practices and are a threat to biodiversity, indigenous populations and the climate? Posts should always keep CSR standards in mind when recommending possible sources.