Section 3
Factors that contribute to IFI Bidding Success

3.1 Price, Positioning, Image, and Differentiation

One of the less tangible topics that interviewees emphasized was the positioning of the firm within the market. For successful firms that wish to work in the market in the long term, positioning appears to be an important part of marketing strategy.

Positioning appears to have two main aspects:

- Meeting the minimum requirements to be credible, especially requirements to have previous experience in the country in question. This seems to be an important way in which firms limit the perceived risk of potential clients.

- Offering some special capability or product that immediately differentiates the firm from the international competition.

It is necessary to offer not just competent services, or good products, but services and products that are clearly better than the international competition. At present price is in Canada's favour, but that is probably transient. [Actually in April 2001 some other currencies are even lower against the U.S. dollar.]

<u>Comments by Interviewees</u>

General comments on price, positioning, image and differentiation:

- For goods and equipment, price is the main factor. [303]

- Careful thought to positioning the firm within the market, and differentiating from competitors. [13]

- Every job requires specialists the company does not have entirely in house. The ability to find the right people quickly is vital. [15]

- *Size and diversification help.* If a company is small and specialized, opportunities in a particular market or though a particular IFI will arise infrequently, perhaps not frequently enough to justify a continuous presence. Also the company needs to be big to get *"decent size jobs"*. [23]

- The company believes that to succeed internationally, including IFI work, a firm must be truly differentiated from the competition by some special capability. Canadian engineering services SMEs are unlikely to compete successfully against either local firms or against the giant international firms, to provide general services. The company is *"one tenth the*