

TOTAL QUALITY MANAGEMENT

Gilmore & Associates, of Toronto Ontario, is in the business of providing a wide range of training services. One of their products is "Compete to Win", an integrated Total Quality Management (TQM) system. Gilmore has an affiliation with the Canadian Manufacturers Association (CMA) who are very interested in the education and training opportunities in Mexico. The CMA took part in a trade mission to Mexico and introduced the Compete to Win system to their parallel organization in Mexico.

The basic concept of the system was well received in Mexico and Gilmore is now hoping to form an alliance with a local company. Alternatively, the company is interested in a government contract to introduce their system in Mexico. The company would train the trainers either in Mexico or in Canada, depending on what the project involved.

Gilmore & Associate's President, Blake Gilmore, says there are serious obstacles to overcome. Although there is a definite need for training programs, there has been no practical push on the part of the Mexicans themselves. He believes that a Mexican sponsoring agency with the mandate to implement education and training programs would be a definite advantage.

Mr. Gilmore says three things are critical for successful education and training: "distribution, distribution, distribution". The program must be delivered through the appropriate channels, and backed up with the needed resources and organizational support.

In his view, the other important obstacles to success in Mexico include copyright issues, payment methods and the time required to forge the necessary personal relationships to properly market a training program.

regulated by the *Secretaría del Trabajo y Previsión Social* and requirements can be bureaucratic. Some programs are financed by the World Bank through the *Secretaría del Trabajo y Previsión Social*.

INDUSTRIAL AUTOMATION

Elsag Bailey Inc., of Burlington Ontario, is in the training business mainly in support of its industrial automation products for heavy industry. Bailey Mexico, a sister company to Elsag Bailey, has not been able to keep up with the increasing demands for training coming from Mexican customers. Upon request, Elsag Bailey has filled the gap on a number of occasions by providing training expertise for Mexican projects.

The company offers training to Mexican customers either in Canada or on-site in Mexico. In their experience, Mexicans have been receptive to training and seem to respect Canadian expertise. Elsag Bailey has found that 'training the trainers' is a highly effective way of transferring knowledge to Mexico, especially in the face of obvious language and cultural differences.

J. Ronald, Elsag Bailey's Manager of Training and Development attributes the Canadian company's success to their relationship with Bailey Mexico. He says that the company expects to provide ongoing support services in Mexico.

Canadian companies with experience in the Mexican education and training market say that an essential pre-requisite for developing new markets is the recognition by the Mexican government and corporate authorities that they have a problem that needs solving. The two "side agreements" implemented under the NAFTA are likely to have this effect. One of them deals with the environment and the other with labour standards. Most observers agree that one of the first labour standards to receive attention will be occupational health and safety. Both environmental training and health and safety training, are therefore considered as major areas of opportunity.

The market for domestic adult education programs is large but saturated, and Canadian firms offering general programs will face stiff competition from established operators. The best prospects are for specialized programs, especially if they can be marketed through licensing or partnerships with Mexican training companies.

MARKET ENTRY STRATEGIES

Doing business in Mexico, regardless of the industry, generally requires a local presence. Market development takes time, and once the potential

has been evaluated, the focus should be on learning more about Mexican needs and establishing business connections.

Mexicans prefer to do business with people they know, and taking time to establish personal relationships is essential. This can be difficult in areas where existing business is affected by loyalty to long-time suppliers, as it often is in education and training.

Building strategic alliances with Mexican firms is a proven way for Canadian firms to break into this market. This might involve part ownership of a new firm, a joint venture, or some form of licensing.

WHERE TO GET HELP

The *Department of Foreign Affairs and International Trade (DFAIT)* is the Canadian federal government department most directly responsible for trade development. The InfoCentre is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and can provide companies with copies of specialized export publications.

