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products or providing services. EDC, of course, has an extensive menu of coverage; nonetheless, you should shop around. Take time. Check. Here, as in Mexico, you need to make informed decisions before spending your money even — or especially — if it's received on credit.

One of the great things about doing business in Mexico today is that there are no exchange control regulations. And the repatriation of profits seems not to be a problem. But get good legal and accounting advice.

Small Is Beautiful?

How does all of this advice apply to small businesses? Is the Mexico game too big for the small firm? Most people in the field seem to think not. In fact, it would be a great pity if such firms were to be excluded since small and medium-size firms are one of the main driving forces of the Canadian economy.

One expert believes the crucial consideration is who the buyer is. If a small Canadian firm is exporting to a small Mexican firm, "everyone gets nervous," he says.

Not necessarily so, thinks Bank of Montreal's Jeffrey Schneider. "Any size company can access EDC's programs or take advantage of the services of a Canadian bank." He explains that "for a letter of credit our risk is the Mexican bank, not the Canadian exporter."

Wren admits the kind of profile — cash flows, experience, and so on — that makes a company attractive to a bank may be difficult for a new company. Where that company represents the "risk" to the bank, "traditionally they'd have to put up some other form of security — cash deposits; could be bonds; could be a mortgage on the house, the property, the business; inventory, receivables — things like that."

EDC seeks to help small businesses in many ways. It does this, for example, through the lines of credit awarded to Mexican financial and other enterprises

and by lowering the minimum loan size to the smallest permitted by arrangements with other export credit agencies. EDC's Small Business Insurance also supports exporters selling to Mexican buyers on open account or irrevocable letter of credit terms.

Many programs introduced or supported by the Canadian government to promote business with Mexico tend to attract mainly small and medium-sized enterprises.

Some people believe that small size might be a distinct advantage in certain cases. When you become big, they tend to ask why you can't finance yourself. For small companies, the opportunities are greater.

Marcela Orozco of Bancomext, however, boasts: "We can help people — from those who want to open a mom-and-pop operation to large corporations."

Don't Reinvent Mistakes

What small companies cannot afford is to repeat the financial and other mistakes of others. In fact, this is true of all companies.

There may be enough money floating around for investment. But in the tough nineties and in Mexico's costly credit market, there is not enough to squander in the costly exercise of reinventing the bad judgement of your predecessors. Jeffrey Schneider advises: "Learn as much as you can from both success and disaster stories of companies that have gone before."

This advice is crucial. No, the road is not paved with gold. Access to the Mexican market and to sources of funding requires studious diligence, great patience and plain common sense. But with these attributes and a little good luck, you may find the effort worth your while.

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