

IFI Bidding Success Factors and Support Needs

"Canadian companies have an historical bent to look for sole source contracts, and to avoid competition. They take the path of least resistance. They are early in developing market situations, such as Vietnam, but tend to withdraw once competition heats up." [119]

The interviewees often raised issues of strategy, commitment and capability on the part of both the Canadian government and Canadian companies. Of course, not all agreed on what the strategies should be; but virtually all agreed that Canada would benefit from a more coherent federal government strategy to promote IFI business [covering CIDA, DFAIT, EDC and CCC, at a minimum]; and that Canadian companies themselves need to think more strategically and approach the market in a less *ad hoc* fashion.

The Government of Canada was frequently criticized for having a "mixed agenda" and therefore being ineffective – that is for wanting to do too many partially-conflicting things, simultaneously pursuing many objectives: regional, diplomatic, aid, and trade.

Also, we heard frequently that the Trade Commissioners are of limited help, and sometimes are a hindrance, because they do not work exclusively for one company but broadcast intelligence to many Canadian companies simultaneously. This is important to the suppliers of common goods and services, and less important to the companies that have a specialty or who have few competitors who tend to know about all projects anyway [companies serving large hydro projects, for example].

Canadian companies were frequently criticized for being uninterested in unfamiliar markets, and unwilling to make the extra effort needed to compete successfully in these markets. One frequent theme was that companies need to internationalize to compete well in IFI markets – thinking of themselves as Canadian and drawing only on Canadian human, financial and marketing resources is not enough.

Civil Works Strategies:

There are few Canadian companies that are positioned to compete successfully for major civil works in developing countries, with the experience, the technical sophistication, the capital, and the construction capabilities that are needed. One Canadian IFI strategy then would be to recognize this reality and to focus on one or a small number of Canadian major projects "champions".

"In Canada the construction companies do not have the engineering sophistication to tackle complex overseas projects. On the other hand, it is too expensive for them to buy the engineering they need at the proposal stage. For their part the engineering companies have the skills but not the capital or the depth to undertake major civil works overseas. Canada has not found the right formula the way large integrated engineering/construction firms have." [110]

Another strategy, and one that moderates the level of risk, is to encourage civil works firms to follow the much larger Canadian firms in forestry, mining and energy. That is, if these firms became more international then an opportunity will open up in support of them. Of course the