

ing operation will be viable or if it requires modification. Ideally, budgets and sales forecasts should be prepared to cover the whole of the establishment phase and a consolidation period. We have previously suggested that establishment could take up to two years. A further year can be added to cover a consolidation period.

Once the decision to export has been taken, it will be necessary to prepare an operations plan. The operations plan should set time limits for each phase of the marketing operation and should detail responsibilities. Reporting procedures should be outlined. Management and staff will find this a valuable tool as the operation proceeds.

Marketing Examples:

- *Simple applications software package* — Packages which perform standard tasks could be sold to hardware or software retailers. The method of distribution used will depend on the size and strength of the Canadian exporter. We recommend Canadian companies should select an established distributor who could probably cover the entire Southwestern marketing area from a central location in one of the major cities. Distributors should be evaluated using the methods already described in this report before a choice is made. Canadian companies can either meet distributors at a trade show or conference or proceed directly to contact individual distributing companies. Companies exporting simple applications software packages can probably handle most routine marketing work directly from Canada on this basis. It will probably be necessary to contribute to the U.S. distributor's advertising and promotional costs in order to achieve market presence.
- *Specialized applications package for professional or industry groups* — Canadian exporters should be prepared to invest extra time and effort in selecting a specialized distributor who is already in the field working primarily with professional or commercial customers. A distributor or agent of this type will have little need for an elaborate office or warehouse facility and will operate with low overheads. In order to achieve an effective sales level it may be necessary to appoint a distributor in Los Angeles, San Francisco, and possibly Denver. In the evaluation stage, it may be worthwhile considering holding a seminar or series of seminars at strategic points in the market area. Contact could be made with key professional groups, and seminars timed to coincide with association meetings or conferences. Turnkey systems companies who specialize in the target groups could also be considered. Canadian companies should be prepared to advertise in professional or technical publications.
- *Sophisticated hardware systems* — The target markets for sophisticated high-end hardware systems will often be major corporate or industry end users. Canadian companies producing products in this category will find that export markets

are in most respects similar to domestic Canadian markets. The Southwestern U.S. is a fertile market with a great number of major corporations headquartered in the main population centers. The key figure for successful corporate sales is the marketing oriented technical sales representative who can be relocated in the market area from Canada. If this is not desirable, a highly qualified salesman can usually be found in the market area providing an adequate compensation package is provided. In this case, periodic training in Canada will be necessary. It may be an advantage to locate adequate demonstration equipment in the market area. The right salesman will be able to handle both corporate customers and selected turnkey systems companies. In order to penetrate this market, adequate funds must be made available for advertising and participation in trade shows which cater to MIS and DP management personnel.

- *Low to medium-end microcomputers* — The emerging trend for business sales of microcomputers is through store-front operations. In order to successfully sell to this market, it will be necessary to establish a stocking distributor. Speedy delivery and the need to minimize freight costs are key elements. Canadian exporters may find it convenient to appoint a distributor in both Los Angeles and San Francisco. Once the market is firmly established, it will be possible to expand to other market centers in the Southwestern U.S. by appointing distributors there. We recommend the initial step should be to take part in a major computer trade show such as the NCC Show or the Consumer Electronics Show. Prospective distributors should be evaluated carefully before a selection is made. It will be necessary to support the distributor with advertising and possibly other marketing costs. Direct sales to retailers will prove too difficult for Canadian companies to handle in most cases.
 - *Special applications hardware and software packages* — The market for packages of this type is usually restricted to a specialized professional or industrial base. CAD/CAM hardware and systems for architecture, civil engineering or industrial design are a good example. It is necessary for a Canadian manufacturer to place a fairly extensive range of operational demonstration equipment in the market area. An office or store-front location is ideal for this purpose. There are two alternatives: It will be necessary to find either a distributor who specializes exclusively in sophisticated computer graphics or to establish a subsidiary organization in the market area.
- Specialist distributors can usually be located through appropriate trade journals. Extensive in-house training for key personnel may be necessary. Manufacturers with specialized equipment of this sort should be prepared to advertise in key trade journals and participate in relevant trade shows, for example, the NCGA (for computer graphics).