

DARE FOODS

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Dare offers the Mexican distributor a quality product, experience in international marketing, training for sales staff, and strategic advice when asked to do so. The distributor has a knowledge of Mexican consumers, market dynamics and business practices. For example, Dare has learned that it is common business practice to present an invoice in person and to appear again in person to receive payment. An invoice sent by mail will probably be ignored.

Mr. Thompson sees Mexico not only as a market in itself, but as a stepping stone to Central and South America. Dare is willing to grow slowly and solidly, choosing its partners with care. New opportunities to market their products are continuing to appear and are bringing new challenges to both Dare and its Mexican partner. Helping them increase their business increases Dare's own business.

- exploit a unique technology or know-how;
- improve returns on investment over the medium- to long-term; and
- acquire knowledge or experience to help compete at home.

Such motives make good business sense without undermining the basis for a mutually beneficial, long-term relationship with Mexican clients.

Exporting is typically more time-consuming than pursuing domestic business. There is, therefore, a real danger in adding a new set of export-related tasks to the responsibilities of employees who already have their plates full. Any firm doing so will find that its domestic business will suffer and the export effort will likely fail.

There is a definite advantage to having people on staff with some exposure to international business, the mechanics of exporting, and the Mexican market. Does the firm have people who speak Spanish or understand Mexican business practices? Tapping into relevant knowledge and experience inside the organization can provide an edge in evaluating or exploiting possible export opportunities.

But in-house expertise is not a prerequisite for success in Mexico. Many small Canadian firms have been able to sell there by reaching for the many forms of advice and assistance that are available from governments or from private-sector intermediaries. Remember too that a company is never static. Through training and experience, it can develop the export-related skills of its employees.

Most novice exporters begin much closer to home, by doing business with American border states. But there is a growing number of Canadian companies of various sizes that have ventured into the Mexican marketplace and found the experience rewarding.

ARE YOU READY FOR MEXICO?

Before entering the Mexican market, a company will need to gather information about the local business culture, exchange rates, taxation, distribution and sales networks, as well as the regulatory environment. Above all, it will need to study Mexican customers, their buying habits, their preferences and the extent to which existing suppliers satisfy all of their current or potential needs. This will require devoting someone from the firm, virtually full time, to assemble such data.

Before assigning an employee to the task of gathering preliminary market data, the firm should ask itself the following questions:

- What can the Mexican market do for the product or service? How can the firm discover this?
- Does the firm understand the Mexican market for its products or services well enough to feel comfortable doing business there?