

KEY STEPS TOWARD EXPORTING SUCCESS IN THE U.S.

competing products, had a limited number of users, and were frequently introduced early in the product's life cycle.

To increase your chances of success, it is wise to concentrate on those products which differ the most from your competitors'. If your products are similar to U.S. ones already on the market, look for a distinctive service that your firm can offer that is of value to the U.S. customers. Competing on a price-basis only is usually more difficult for small businesses.

The case of Screen Print is particularly instructive in this regard. The firm's murals presented significant advantages over photographic enlargements and were produced with a technology that no other North American supplier of food chain murals was using. While Andy Smith says that the ultra-violet mural "was selling itself", he recognizes that it took him years to generate sales for the firm's other point-of-sale display products.



Key points

- choose product with as few competitors as possible
- emphasize product or service over price

Select a Specific Market Segment

The size of the U.S. market has diluted the efforts of many poorly prepared exporters in the past. Successful first-time exporters typically concentrate on a particular group of customers, a geographical market (keep in mind that California alone is a bigger market than Canada) or a specialized application for which they face virtually no competition. A good example is a Canadian electronics firm that developed a microprocessor specifically for the hearing aid industry. The firm was able to penetrate the U.S. market and eventually take 70 per cent of the world market in that industry.

The choice of market segment should not be determined by the first region that places an order or the first application for which an order is generated. It involves considering a number of regions, customer segments or applications and making a choice on the basis of competitive advantages, cost of entry, potential sales volume and potential growth.

In identifying business opportunities in the United States, exporters should bear in mind that the Free Trade Agreement has increased access to the U.S. government procurement market. Information on how to sell to the U.S. government is available from the business service centers of the General Services Administration (GSA), the main procurement agency in the United States, as well as from External Affairs and International Trade Canada (EAITC). See "Where to Find Assistance" for telephone numbers.



Key points

- target one market segment, be it a consumer group, a geographical area, or a specialized application
- consider the U.S. government procurement market

Find a Suitable Distribution Channel

The selection of a distribution channel is a delicate business decision that has important strategic implications. Poor distribution unfortunately accounts for a large share of failures in exporting to the United States.

You have a number of options. You can work with a trading house, an agent, a manufacturers' representative, a distributor, or you can sell direct. Trading houses and distributors will buy from you and be responsible for reselling the goods. Agents and manufacturers' representatives generally transmit orders from customers and receive a