

arrangement is that the agent represents the software firm's business interests in New York State and is familiar with marketing conditions in the area. Essentially, the agent generates the sales orders, relays the orders to the software firm in Canada, and the latter then supplies the goods directly to the consumer. The software developer bills the customer directly, collects the payments, and in turn pays an agreed-upon commission to the agent. Under this type of arrangement, however, the software firm may have to assume responsibility for getting the product across the border. This may be a particularly advantageous selling strategy if the end user is not a sophisticated importer. In such instances, the Canadian exporter could sell the software "F.O.B. Point of Destination" in New York State, quote the buyer in U.S. dollars, and request payment to a postal box at a New York State bank. This procedure minimizes the risks to the customer, and enables the buyer to treat the international transaction as if it were a purchase from a domestic software company.

Continuing with this example in which the Canadian exporter of software works through an agent or representative to get to the customer, the software firm has the tasks of selecting an appropriate agent, working out a contractual agreement with the agent, setting up a bank account with and renting a lock box from a New York State bank (or a Canadian bank that has established operations in New York State, or that has corresponding ties with New York State banks), and handling the trade documentation required to get the product through customs officials and into New York State. **Assistance in selecting the proper agent can be provided by the Canadian Consulate offices in Buffalo and New York City (telephone numbers: 716-852-1247, and 212-586-2400, respectively).** A contractual agreement with an agent in New York State would normally be expected to specify the following: the territory within which the agent or rep is to market the software products or applications; the kinds of products/applications to be marketed; the amount of compensation for the agent's services (e.g., 15 percent of the net invoice price); computation and payment date of commission; conditions under which orders are accepted by the software developer; the terms of sale, which usually indicate that the agent is not to quote prices without prior approval of the exporter; and the conditions under which the agreement may be terminated and the benefits thereupon for the agent.

Opening an account and a lock box with a bank that does business in New York State is a fairly easy venture that requires only an ID number from the Canadian exporter. The arrangement essentially permits the bank to act as a clearing house for business conducted by the Canadian software firm. Several times a day the bank opens the lock box, deposits any checks that have been received into the Canadian firm's account, and, if desired, wires the funds to a