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Selecting and Using Manufacturers' Agents in the United States



External Affairs and
International Trade Canada

Canada

Selecting and Using Manufacturers' Agents in the United States

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Acknowledgment

The Manufacturers' Agents National Association (MANA) in Laguna Hills, California, is well known and respected throughout the business community in the United States. Its efforts to foster the manufacturer-agent relationship are evident in its numerous services for members, as well as its many activities from annual seminars for both manufacturers and agents to publication of the monthly *Agency Sales Magazine*, the annual *Directory of Manufacturer's Sales Agencies* and periodic bulletins on relevant topics.

External Affairs and International Trade Canada acknowledges the valuable assistance from MANA in the preparation of this publication. In some of the chapters, MANA bulletins were utilized as resource material. In other instances, MANA's explanation of aspects of the manufacturer-agent relationship are quoted directly. Special appreciation is also extended to Georgia Gibson, the executive vice-president of MANA, for her time and efforts reading the original manuscript and the helpful suggestions she provided.

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Introduction

This publication offers some guidelines for the Canadian business manager who is considering entering the United States market by appointing a manufacturers' agent.

The chapters are organized to help prospective Canadian exporters answer three questions:

1. What are your company's goals in the United States market?
2. How can you locate a U.S. sales agent or agency appropriate for the needs of your manufacturing firm?
3. How can you support the activities of your sales agent or agency after the contract is signed?

There are many reasons why selling through an agent is an efficient method for moving both goods and services from Canada into the highly competitive United States market. For one thing, American buyers demand more frequent sales calls from their Canadian counterparts and small-to medium-sized Canadian companies often lack the sales force to comply with such buyer expectations. This problem can be overcome by appointing a commissioned manufacturers' agent.

Further, by entering into an agreement with an agent, a Canadian company immediately acquires experienced sales representation in the new territory. The agent is paid a commission only for sales completed. Compared to the alternative of hiring a direct sales force, selling through agents can reduce administrative overhead and sales costs. The training period for agents is usually minimal as the agent will already be an aggressive salesperson, who will only need to learn about the product line and policies of the Canadian firm. Also, manufacturers' agents can market the Canadian product, in the broad sales context, because they sell several related but non-competitive lines to the same customers. By so doing, agents can often discover new applications that may not be available to the salesperson who specializes in a single product line.

This publication addresses Canadian manufacturers and service suppliers across a broad spectrum of industry sectors. More information about a specific product sector is available from other well-established sources, some of which are listed in Appendices 6 to 11. From the food sector to industrial machinery or fashion apparel, there are many Canadian government offices in Canada and in the United States that will help you research the market potential for your company's product line.

One of the most encouraging factors for new exporters to remember is that many firms in the United States do not regard Canadian products as "foreign." Proximity to Canada, along with personal and corporate connections, can help you attain competitive transportation costs and delivery times. Many U.S. manufacturers' agents tell prospective Canadian suppliers at the outset that the agency is in business for the long term and not just to make a quick profit. The guidelines suggested in this booklet should help you establish an open line of communication with a sales agent in your targetted region. We hope that continued good communication with your agent(s) will ensure that you gain an ever-stronger foothold in the United States market. Any questions you have should be sent to:

United States Trade, Tourism and Investment
Development Bureau
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

or

Finance and Business Services Division
Export Programs and Services Bureau
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

A Step-by-Step Approach to Selecting a Manufacturer's Agent in the U.S.

STEP 1

Prepare a long-term market plan for your company and select the products you want to launch in the United States. Include details like the landed price of the product in the U.S. after payment of any duties, Customs brokerage fees, insurance, and so on. (See Appendix 2)

STEP 2

Research the U.S. market for both state and national government regulations and conditions controlling the entry and sale of your product. Check for acceptability of the product specifications. (See Chapter 1)

STEP 3

Determine the logical U.S. territories to launch your product. Consider such factors as proximity to your plant, and competition. (See Chapter 2)

STEP 4

Prepare a sample presentation of your products, including landed price in the U.S., delivery terms and samples, if appropriate. (See Chapter 2)

STEP 5

Write to the Canadian consulates in the selected U.S. territories and state your goals. Include step no. 4 in your information. At this stage, the trade commissioners can provide advice about the market conditions in their territory. You can also obtain general guidance and the names of some agents specializing in products sold to the types of customers you are targeting. (See Appendix 6 and Chapter 3)

STEP 6

Write to the manufacturers' agents selected, clearly stating your aims in seeking sales representation. (See Chapter 3)

STEP 7

Make a trip to the selected market area to survey the competition first-hand. Let the Canadian consulate know about your plans *in advance* if you are seeking an appointment that fits your itinerary. The trade commissioners will know many of the manufacturers' agents and representatives in the post's territory. (See Chapter 4)

STEP 8

Follow up on the information you collected on the trip. Do you need to make changes in your market strategy? (See Chapter 4)

STEP 9

Compile a short list of manufacturers' agents to interview. (See Chapter 3)

STEP 10

Visit those agencies that you consider to have serious potential. Have one or two of the agencies' staff visit your production facility and offices. (See Chapter 4)

STEP 11

Obtain expert legal advice. (See Chapter 6)

STEP 12

Negotiate the terms of an agreement with the agent you have selected. (See Chapter 6)

STEP 13

At all times, keep the lines of communication with your agent. Support your agent's efforts in the new territory. Emphasize frequent and continued contact to resolve all problems with your agent and with your U.S. customers. (See Chapter 7)

Chapter 1

Decisions, Decisions...

Do Canadian Manufacturers Need Agents in the U.S.?

As a manager of a small-to medium-size Canadian company, you may be eyeing the large United States market, planning for the day when you can launch your product line south of the border. That day might be closer than you think. The amount of time and capital required to develop a new export market can be a limiting factor, but having a well-qualified manufacturer's agent can be an economical and effective way for a Canadian manufacturer to develop and keep a share of the lucrative American marketplace.

Depending on the type of agreement you as a manufacturer negotiate, the agent can help your firm adapt to the conditions in the new market, provide personal and frequent contact with customers, and even propose changes in your product to yield continued buyer satisfaction and better market penetration.

Agents, Brokers, Distributors... Is There a Difference?

The answer to this question is yes, but the terms "agent," "broker" and "distributor" are sometimes used interchangeably. This publication focuses on the relationship between manufacturer and indirect sales agent, but there are other types of arrangements that Canadian manufacturers can make to have someone else do the selling on their behalf. The terms defined here are traditional ones, and all denote some form of indirect representation for the manufacturer in the designated market territory.

• Agent

Depending on the terms of the agreement, agents or manufacturers' representatives can be authorized to enter into contractual sales agreements with customers on the manufacturer's behalf. Agents usually work on commission, but may prefer to work on a retainer with an agreement regarding expenses. They can provide many types of expertise, including market intelligence if it is part of the agreement with

the manufacturer. Several related but non-competing lines can be handled for more than one supplier. The usual process for concluding a sale involves the agent obtaining the order and the manufacturer supplying the goods and invoicing the customer directly. The manufacturer then collects the payment and pays the agent a commission on the sale.

The manufacturer-agent-customer relationship is not always as clear-cut as the above explanation might lead you to believe. In industrial markets, manufacturers' agents often sell products through distributors. In such cases, you, the Canadian supplier, might give your agent the authority to hire and fire distributors as necessary. The agent becomes your field sales manager and receives commissions on products sold by the distributors or on reorders by the distributors. In turn, the agent supports the distributors by training sales people, making sales calls with the sales staff, giving them leads and, sometimes, providing after-sales service.

• Distributor

The distributor can be the best indirect sales option in a new market for some products. Manufacturers of hardware or automotive parts and accessories, for example, frequently contract with distributors to channel their goods to the customer. The distributors buy the products from the manufacturer, stock them in their warehouses and re-sell them to customers in their regions. The Canadian supplier must expect longer terms of sale in such transactions. The negotiation on price is important because the distributors set their own prices to include the profit on the sale. The manufacturer thus loses some control of the marketing process, and this extends to delivery, because the distributors supply the goods directly to the customers.

• Broker*

Brokers pursue individual sales on their suppliers' behalf, and pass requests for quotations on products to their suppliers for a response. For brokers, it is just as important to please their customers as their suppliers. This means that, if the product of a Canadian company is not as price-competitive as that of another supplier, the broker may sell a competitor's product to keep a regular customer satisfied. The broker may be paid a commission on sales, or sometimes the agreement will stipulate that a broker will take legal title to and physical possession of the product, warehouse it, and ship it from the broker's premises in the market territory.

Generally, the Canadian exporter retains most control over the indirect sales representation process if a manufacturer's agent is contracted to do the selling. Greater market coverage is assured. An agent will call on all distributors, dealers or other suitable purchasers.

Analyzing Your Market Needs

Whatever sales representation you select to launch your product in the U.S., the initial steps lie within your company's decision-making chain. Basically, these first steps include answering the following questions:

- What does the product offer the American customer?
- What is the demand for this product in the U.S.?
- Which region(s) of the U.S. is the company likely to target most successfully?

Consider the regional demand in the U.S. as well as your capability to produce sufficient amounts for reliable and consistent delivery. Consider proximity to the market and transportation costs to reach that market by the most efficient method for your product, including Customs brokerage fees. Can you still be competitive with the suppliers who are already selling in the region you have targeted?

Let us suppose you do not, as yet, have any business contacts in the U.S. Where do you start to research the market so that you can make decisions on all the above issues?

* Note that "broker" here refers to an indirect sales representative arrangement. The term bears no connection to a "Customs broker," who assists in clearing products through the U.S. border.

Canada's trade commissioners posted in the Canadian Embassy and 12 consulates (Appendix 6) in the U.S. can provide you with a broad range of information about the state of the market for your product within their assigned territory. Be precise in your request for assistance. If the trade commissioner is not able to obtain up-to-date information to answer your inquiry, you will be given other contacts in agencies of the U.S. government. Examples of just two subjects which every Canadian exporter should research are the state transportation regulations and guidelines concerning product composition.

The trade commissioners in the Canadian consulates also have compiled data bases of manufacturers' agents for various product categories in their region. Manufacturers' agents often visit the Canadian posts to make themselves known and to attend trade-related events organized by the trade commissioners for Canadian suppliers. Chapter 2 outlines the information you should have available when contacting the Commercial Division at the consulate for assistance. Information on U.S. Customs considerations such as import tariffs, "country-of-origin" marking, labelling and other import requirements can be obtained from:

United States Tariffs and Market Access Division
(UEA)
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario, K1A 0G2
Tel.: (613) 991-2056
Fax: (613) 991-4840

Information about programs for new exporters, such as the Program for Export Market Development (PEMD), New Exporters to Border States (NEBS) and New Exporters to the U.S. (NEXUS) can be obtained from the International Trade Centres co-located with the regional offices of Industry, Science and Technology Canada (ISTC) and from the ISTC offices in the Yukon and Northwest Territories. (See Appendix 7)

Other Management Decisions

If your company is following an established marketing strategy, you will be able to answer most of the questions that prospective sales agents will ask you. If this is not the situation, it is recommended that you devise an overall marketing plan for the company, encompassing the objectives of both domestic and export sales. Many small-to medium-sized businesses contract a marketing specialist to assist them in this task.

As a company export manager or sales manager who is trying to decide on the most appropriate approach for exporting to the U.S., it is crucial that you answer the following questions before you begin your search for the right type of manufacturer's agent:

- What has your company accomplished to date in terms of an overall marketing plan for your products and services?
- Where is your company going in the short term (one to five years), and in the medium term (five to 10 years)?
- What is your short-term sales goal in the prospective new market region? What about long-term goals? Include volume and value of sales estimates.
- Do your chief executive officer and comptroller understand what your market strategy is all about? Are all divisions of the operation on side and prepared to work with manufacturers' agents from time to time in company meetings?
- What kind of customers will you target in the U.S.? You should segment the U.S. market first and target only the customers you can supply readily until you get a firm handle on the market reaction to your product.
- Do you want the manufacturer's agent to do market research for your company? If so, are you willing to pay for this service? (You must pay for the service if you want it.) Can your own company staff handle sales surveys, mailing lists and other periodic research tasks with an agent's guidance?
- Do trade shows enter into your market plan? Who will work the show booths — your company staff or your agents in the U.S.? Be prepared to work out these details.
- What kind of sales reporting do you expect? (Many agents do not file formal reports. There are many types of agent-to-manufacturer communication and you must be open to discussion and prepared to offer some alternatives to a daily or weekly written reporting system.)
- Are you prepared to train experienced manufacturers' agents about your company's policies and product capabilities? (Be prepared with a plan to discuss with prospective agents. They will know how to sell, but is that all they need if they are to be a spokesperson for your company? Let us hope not.)
- Have you examined carefully the cost comparison between hiring a manufacturer's agent

versus hiring a salaried salesperson on your company staff to handle your product line in the U.S.? Consider that independent agents pay all their expenses including travel, entertainment, insurance, pension and so on, and are only paid for the actual sales concluded. Ask your comptroller and accountant to help you examine this issue.*

- How important to you is control of the sales function compared to sales results? Independent manufacturer's agents are in business because they know from experience that they can sell very well. Good agents with related but non-competing lines can sell all of their products and service their customers with a more complete package. Are there advantages for your company in this type of representation or is control of a salesperson's time more important to the way you operate your business?
- Are you prepared to treat a professional manufacturer's agent as well as you treat a company salesperson on your staff? Agents expect to be treated with respect as they already have their customers' loyalty. This is important should any disagreement arise between you and your agent. Upon termination of your agreement, the agent's customers may move their business to the agent, and you, the Canadian supplier, will have to start over and rebuild a clientele in the same territory with a new agent.

While this list of considerations may seem very basic to an experienced business manager, it will prove helpful in preparing for meetings with prospective manufacturers' agents in the U.S., even if only one item listed was not on your original planning agenda.

Your top management and traffic manager must be deeply committed to exporting. All U.S. orders must be given as much attention as domestic orders. If an order is held up, the agent must be notified with a firm shipping date. "Being late" with U.S. orders can be fatal.

Working with agents requires careful teamwork. Generally, all aspects of the company's operation become involved in the manufacturer-agent relationship. The remainder of this booklet discusses how to build the team that will introduce your company's product into the United States.

* Most Canadian sales executives are aware that the cost of keeping a salesperson on the road in Canada is approximately \$60 000 to \$70 000 per year. Further, once all the administrative costs are added, the final estimate is between \$80 000 and \$100 000 per year.

Chapter 2

What Your Company Offers an Agent

The main purpose of this chapter is to emphasize how important it is for your company to sell an agent on what your product line can do for the agent's business. Does this seem a backward approach to take when seeking new export sales? If it does, all the more reason for taking a few minutes to see if you have all of the following bases well covered in your marketing plan.

Communicating Your Capabilities

After you have met with your own company executives and made the initial decisions about the extent to which you are prepared to market in the U.S. through manufacturers' agents, you must write a concise summary introducing your product and company to Canada's trade commissioners in the U.S., as well as to the agents you will soon meet. Everyone who can help you will be brought on side much more readily if you present your background information and goals in an organized manner. This will show the effort your company is willing to make to penetrate the new market area.

A checklist of points to include in your outline of market objectives and information about your company's capabilities follows:

1. Domestic market success

By what means are you distributing your product in Canada? Give some indication of your success in terms of value and volume of sales per year and the main categories of customers in Canada. A list of a few customers should be provided as a reference. If you are using indirect sales representatives in Canada, how are they doing in your estimation? Provide sales statistics to support your example.

2. Past approaches to the U.S. market

Do you have any experience in selling to customers in the United States? Have you participated in any trade shows there? Has preliminary market research indicated that major changes to your product components or packaging may be necessary to meet customers' requests or standards regulations in the U.S.? The U.S. Food and Drug Administration, for example, issues product composition standards for many industry sectors. Packaging and labelling information is available from:

United States Tariffs and Market Access Division
(UEA)
External Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario, K1A 0G2
Tel.: (613) 991-2056
Fax: (613) 991-4840

3. Selected market region in the U.S.

Have you determined which region of the United States to target first? Secure the advice of trade commissioners at the Canadian consulates and satellite offices about market segmentation of sales agents' territories. Refer to Appendix 6 for the territorial responsibilities of the Canadian government's posts in the United States.

The states closest to the Canada/U.S. border are usually the best areas for Canadian exporters to start penetrating the U.S. market. It is suggested that you open up two or three territories simultaneously to better assess agent performance.

As a general reference, look at the map "Typical Marketing Areas" in Appendix 1. The Manufacturers' Agents National Association (MANA) has designated the territories marked on this map as suggested marketing regions. Your product, types of customers, and their frequency within a geographic area, as well as the agent's established territory, are all important in deciding how large your initial market territory should be. There is no standard guideline for the size of your first market territory.

4. Pricing

The price of your product should be calculated in terms of the landed price in the United States (FOB at nearest border crossing point, destination or nearest major U.S. city) and must be in US dollars. It should include such items as the agent's commission (pick an average for now from the chart in Appendix 3), U.S. Customs duties, if applicable, any U.S. Customs house brokerage charges, and insurance and freight charges (see Appendix 5 for a list of U.S. Customs Brokers). It is advisable to consider Export Development Corporation (EDC) export credit insurance (approximately 1 per cent premium) for protection against bad credit. Seventy per cent of claims paid by EDC are for non-payment by U.S. firms. EDC has offices in all major cities across Canada.

A good reference for the calculation of the landed price can be found in Appendix 2, from which you should make up your own pricing worksheet. Make sure you include the fee paid to a reputable U.S. Customs broker, who can ensure a smooth border crossing and speedy access to your delivery point in the United States. Find out what a quotation looks like when it comes from a competitor, and make sure yours is comparable.

5. Delivery schedule - VERY IMPORTANT.

The delivery schedule is crucial to many U.S. buyers, especially if they are original equipment manufacturers (OEMs). Many U.S. factories keep low inventories and Canadian suppliers will have to prove they are capable of supplying on a rigid delivery schedule. The schedule dates from the day the order is received.

Some manufacturers' agencies are large operations which can provide warehousing for the Canadian manufacturer's product. In most cases, however, you as supplier will need to find a reputable U.S. Customs broker (see Appendix 5) at the border port of entry to ensure smooth and quick access for your shipments to the new customers in the U.S.

Many regional transportation commissions and agencies in Canada, as well as both federal and provincial ministries of transportation, can assist you in researching the most cost-effective and efficient means of transport to particular markets in the United States.

To obtain the best possible freight cost quotations, it is recommended that you contact regular trucking companies as well as freight forwarders.

6. Marking

See Appendix 2 for information on products exempt from marking and correct marking for those requiring *Made in Canada* marking.

7. Company or product warranty

The subject of warranties is also very important if you are going to work through agents. There must be a complete understanding of what your product can do and what you will accept liability for. How far does your product guarantee go? Put this in writing in product brochures or in specifications for components. Later you must educate the agent about your warranty and be sure that the agent does not overstate it.

Buyers in a new market will have many questions to ask your agent concerning the Canadian company's quality control procedures. Include a brief description in this introductory presentation.

Company Services and Promotional Support

The type and quality of head office support a Canadian supplier can give to an agent ranges from service requirements to more tangible items such as product samples. Planning to hire a manufacturer's agent implies that provision will be made within your company team to respond to such needs as soon as the contract is signed, and before the first potential customer is contacted.

Examples of services that you should have in place to supply an agent's needs are:

- a ready supply of order forms, quotation forms and other administrative forms;
- speedy replacement of unacceptable merchandise for a dissatisfied customer;
- a plan for sales meetings and resources;
- visits by particular company staff to U.S. customers (engineer or quality control manager, perhaps);
- direct mail research questionnaires and analysis to test market reaction to new products or services;
- a plan for a system of financial bonuses or rewards other than commissions; and
- a system of financial discount allowances (by volume and type of customer).

The following are examples of tangible support a Canadian supplier should be prepared to give a U.S. agent. These items will vary according to the supplier's product and the type of customer on the agent's call list.

- Product samples
- Merchandising racks or other aids
- Good quality company brochures (in colour, preferably)
- Export price lists
- Product specification sheets
- Packaging size and design to suit various types of customers targeted, as well as national or state regulations
- Direct mail promotional sheets, possibly seasonal, if appropriate to your industry sector
- Advertising materials, e.g. camera-ready artwork for publication in trade journals

In some industry sectors, you might require the input of an experienced agent before you spend money on company support materials, such as brochures, that should be designed for a particular type of U.S. customer.

The client's needs may be different from those of your customers in Canada.

When a manufacturer's agent sees that you, the supplier, are ready to provide the types of support listed above, the agent will feel more confident about the future success of your relationship. An agent who is motivated by a good product, properly priced, and given the necessary supplier support services, can be expected to make more sales for the manufacturer during the introductory period in the United States than the agent who receives little communication from the Canadian manufacturer once the contract is signed.

Supplier Responsiveness

Responsiveness on the part of the Canadian exporter involves more than the support mechanisms given to the new manufacturer's agent described above. Any U.S. agent who has previously represented Canadian companies will ask you about the important question of responsiveness in any relationship with a supplier. The long-term considerations include such things as:

- adaptability to shifts in customers' tastes and preferences e.g. changes in product or packaging;
- a consistent approach to the U.S. market, regardless of whether or not the Canadian market for the product is soft in a particular time period;
- a willingness to consider ideas such as co-operative advertising; and
- provision to the agent of advance warning about interruptions in supply because of plant production problems.

Chapter 3

Locating Manufacturers' Agents

The Nature of the Manufacturers' Agency in the U.S.

Many Canadian business managers reading this publication will have considerable experience with domestic manufacturers' agents who sell their line in the Canadian marketplace and will be familiar with the general guidelines provided in Chapter 2. Canadian independent sales representatives and agents operate in ways very similar to manufacturers' agents in the United States.

The significantly larger market and greater potential for sales in the U.S. compared with Canada means that finding the right kind of agent to represent your line is a demanding task. The first consideration must be matching your plant's production capability with the likely demand in the agent's territory. Agents want their orders filled promptly. They lose clients fast when back orders build up. The initial effort to find the right agent or agency is worthwhile.

Sources of Information about Agents

What should you do to locate the most likely agents in the U.S. to represent your products and your company? Prepare a profile of what you consider as the ideal agent. Then decide where you can learn, by the most efficient means, about prospective agents active in your industry sector. Some of the alternatives you can explore are listed below.

1. Government Contacts

The first stop you should make is the Canadian consulate located in the U.S. region you are targeting. (See Appendix 6.) Send a letter outlining your plans to the Commercial Division of the consulate. See Chapter 2 for key points to include in the letter. The Consulate trade commissioners keep records of the agents, distributors and brokers operating within their territory.

Inquire about your eligibility to participate in the New Exporters to Border States (NEBS) seminars. This program allows a group of about 20 companies to visit a U.S. entry point for on-the-spot presentations on all phases of exporting. Experts are present to discuss such topics as export documentation, U.S. Customs clearance procedures, insurance, manufacturers' agents and distributors, export pricing, warehousing, accounts collection, and so on. An officer from the Canadian consulate nearest to the border entry point will be present to discuss a market strategy for your particular product needs.

NEBS missions are organized through Seattle (for British Columbia and Alberta companies), Minneapolis (for Saskatchewan and Manitoba companies), Detroit and Buffalo (for Ontario and Quebec companies) and Boston (for Atlantic and Quebec companies).

A new program, New Exporters to the U.S. (NEXUS), is designed to take the successful graduates of NEBS deeper into the U.S. marketplace, for example, the southeastern and southwestern states.

The trade manager of the International Trade Centre in your region (see Appendix 7), as well as your province's trade development department (see Appendix 8), can explain the eligibility requirements for the NEBS and NEXUS programs.

Both the federal government's trade commissioners and the provincial governments' trade development officers organize special promotions for Canadian suppliers interested in penetrating the U.S. market. The Canadian consulates frequently co-ordinate displays of Canadian products in U.S. cities, to which local sales agents and distributors are invited.

2. Trade Shows

You can obtain good leads about agents by approaching other companies at industry sector trade shows. Their agents might sell a line which does not directly compete with your products, but which is sold to the same potential customers. There is little substitute for a word-of-mouth recommendation for an agent who has performed well for someone else.

A listing of most regional and national industry trade shows in the U.S. can be found in the *International Trade Fairs and Conferences Directory* published by Co-Mar Management Services Inc., 366 Adelaide Street East, Suite 339, Toronto, Ontario M5A 3X9. Tel.: (416) 364-5352. The price is \$59.95 (plus shipping and handling).

3. Manufacturers' Agents National Association (MANA)

MANA, in Laguna Hills, California, is the U.S. agents' association which is national, but not industry specific. The *MANA Directory of Manufacturers' Sales Agencies* includes listings for both new and experienced agents, organized by geographic area and by industry. MANA's monthly magazine, *Agency Sales Magazine*, is a good way to make contacts and keep up with issues related to sales representation. There is a subscription fee for these publications. In *Agency Sales Magazine*, you can also advertise your requirement for a manufacturer's agent for a particular U.S. region.

4. Trade Associations of Manufacturers, Retailers or Agents

Appendix 9 lists a number of agents' associations in many industry sectors. Every effort has been made to list associations with sufficient administrative staff to assist Canadian firms that contact them. The associations can provide specific answers to questions about business practices in their sectors and regions. Some of the regional industry associations sponsor their own trade shows and have available, for a fee, directories of manufacturers' agents.

5. Referrals from Canadian Companies or American Buyers

Your industry colleagues in Canada might be able to give you the most valuable information about agents, possibly even the names of their own agents in the United States. If you are already selling to one or two key buyers in the U.S., why not ask them for the names of some reputable agents from whom they would be willing to receive sales calls on your behalf?

6. Trade Journals or Magazines

Recent issues of trade journals within your particular industry sector could provide names of agents. In the United States there are trade journals focusing on everything from the doll collectors' market, toys or hobbies, to the automotive after-market. Manufacturers' agents and Canadian suppliers often meet through advertisements in these magazines. A visit to your local library may prove useful.

There are many ways to locate manufacturers' agents, but beware: finding the right agent is not easy. There has to be the proper chemistry between the two parties and you should be aware that break-ups are commonplace.

Initial Contact with Prospective Agents

Assuming you have the names of at least 10 interesting prospective agents, how do you check them out?

In a letter, compose a series of questions to ask each agent. Have your marketing strategy close at hand for reference. Here are a few questions you might consider:

- Is the agency growing or is it as big as the owner wants it to be? How many field personnel does the agency have?
- In the agent's opinion, are the lines the agency is carrying compatible with your company's product line? Why or why not?
- What types of customers does the agency call on now? Provide your list of customer categories for your firm's product line and include your customer profile (as far as you know it from your research). Can the agency cover these potential clients for your firm?
- State briefly your preliminary marketing and sales goals in the agent's territory.
- Can the agency give you at least 20 per cent of its business time? (This is a chancy question at this stage, but it can be an asset to be assertive in a new market.)
- Request customer references, including one from a principal of the agent.
- Can the agency provide service if your product requires field assistance? How is this handled for the agency's other principals?
- What is the agency's assessment of the prospects for your company's product line in its territory? Are there any changes the agency would recommend in your product?
- How large is an average order for products such as yours from the agency's customers?

The replies from this initial communication can tell you a great deal about the extent of an agent's experience, how anxious the agent is for new business, and the degree of interest the agent has in representing your company. Talk of sales commissions can be left until the next stage in the screening process.

Do not hesitate to follow up your letter with a telephone call if the response does not come as soon as you hoped. Agents, as well, like to know how interested you are in their business.

What if an agent is not interested in your firm or does not feel able to represent your line in the agent's U.S. territory? Do not let the matter drop. Find out the reasons. This research can help you make a better impression on other agents, as well as target necessary changes in your marketing strategy.

Narrowing the List

The search for prospective agents to contact might be over, or you might have to look further and obtain the names of additional agents by recommendation from your industry contacts. If you have received sufficient responses from agents to move ahead, it is time to do some final checking before the interview process begins.

Checking out the agents' references is an important part of the selection process. You should telephone the customers and other principals whose names the agents supplied. Sometimes you might find that the first impression you had of an agent was incorrect. You can also benefit from knowledge of any problems the agent and another principal had to overcome.

How can you do a credit check on your final list of prospective agents? Dun and Bradstreet is one of the service companies which is used frequently, and your bank can — for a fee — arrange a credit check. At some stage in the screening process, you should also ask the agent for a bank reference.

In the general course of things, you will most likely decide to cross off your list several of the prospective agencies you screen. However, this may not be due to negative factors you discover about these agents. Reference checks can save you time and money by helping you avoid interviewing agents with whom you share few mutual business interests.

Chapter 4

The Interview

Setting the Interview Dates

When you are ready to set up appointments with the agents on your short list of good prospects, plan to visit them in their territory. If any of the agents choose your plant for the interview location, allow yourself enough time to visit the territory you are targeting before the interview takes place. Such a visit provides an opportunity to meet potential customers. This can be helpful, especially if you have not been selling directly to any buyers south of the border. Advise the agents well in advance of your visit, and, together, arrange to call on a few potential purchasers.

How the Canadian Consulate Can Help

The Commercial Division at each of the Canadian consulates in the United States has years of hands-on experience liaising between agents and manufacturers. You should have contacted the consulate long before you decided to make this trip to the United States as final preparation for the interviews with agents.

If the consulate has a file record of your company's marketing plans for its region of the United States, (see Chapter 2), you can be sure that, when you call for an appointment, the commercial officers will be ready with information about a few potential buyers you can visit.

The commercial officers in the consulates often can assist you with final details for interviews with agents, particularly if the agents' home territory is close to the consulate. Often there is an office in the consulate that you can use for the interviews, or a larger area to display product samples and literature.

The consulate's commercial officers can introduce you to regional associations of agents or other manufacturers in your industry sector. These organizations can provide updated information on doing business in their region. Depending on your type of business, the consulate's officers might suggest you join a regional association of manufacturers which

organizes annual or semi-annual trade shows and invites the buyers in the region. This may be helpful to the Canadian manufacturer, who is trying to learn local trade practices as quickly as possible.

Your First Marketing Visit

How does your competition approach the market in the region you have targeted? A few days spent surveying the business environment in the selected U.S. region will pay dividends when you sit down to interview agents.

If it is appropriate for your industry sector, visit some retailers to have a close look at the competition's product lines, pricing, and the space each line commands on the display racks in retail stores. If your industrial product is going to be sold mainly to U.S. manufacturers, visit some plants in the territory to learn how these potential customers approach purchasing decisions for products such as yours.

From your viewpoint as the Canadian supplier, the U.S. competition in your product line can seem impressive. An experienced commercial counsellor at a Canadian consulate in the U.S. suggests that "there is something else to keep in mind, regarding your meetings with both agents and potential customers: their experiences with Canadian suppliers in the past can work either in your favour or to your detriment." Canadians are often perceived as push-overs by U.S. agents who are used to more aggressive U.S. manufacturers. You might also have to contend with suspicion and extreme caution from a good agent who has terminated an agreement with a previous Canadian exporter who did not deliver on time or did not supply the specified quality of product which was promised.

Beware of the oversell. On your part, when you are starting to sell in a new territory, it can be tempting to overstate what your company can do. On the other side, some agents who recognize a good product with high potential in their territory might offer to make commitments they cannot keep.

In summary, it is best to be completely honest about your capabilities as a supplier, as well as realistic about your expectations of an agent, especially in the short term. Such an approach can get your interviews off to a good start.

Are You Ready to Be Interviewed?

It will come as no surprise to you that manufacturers' agents in the United States will be interviewing you while you are interviewing them. There are some steps you should follow to prepare for the agents' questions.

An experienced agent will be examining three areas of interest during the interview with a manufacturer:

1. financial status
2. management enthusiasm and integrity
3. product quality and marketability

A Canadian manufacturer should refer to the guideline "Important Points to Cover with a Prospective Principal", and be able to answer questions from prospective agents on these points.

Important Points To Cover With A Prospective Principal*

I. Product Information

- A. Please name, give short description and principal applications.
- B. List the advantages and disadvantages of each product in relation to competition and industry requirements. Be objective and include:
 1. Quality/performance.
 2. Production.
 3. Current delivery time from receipt of order.
 4. Service policy.
 5. Are you prepared to communicate with your agency on all matters influencing the marketing of your product?
 6. Are you prepared to completely inform all members of this agency of your product knowledge?
 7. Are you prepared to work in the field with members of this agency?

II. Pricing Information

- A. Describe method used to establish price.
- B. What are the policies on price? (Discounts, returns, allowances, etc.)
- C. Show your price in relation to the principal competitors' prices for each product.
- D. If your prices are higher than those of your competitors, can you justify them in terms of quality, service and delivery?
- E. Are you prepared to provide quotes on time and follow them up in writing?

III. Market Information

- A. Estimate total industry sales and unit volume attainable on each product for this territory on a short-range (1 year) and long-range (3-5 years) basis breakdown by classifications, i.e., commercial, institutional, schools, etc.).
- B. Estimate the percentage share of this sales volume you now have and expect to have (breakdown by classification).
- C. Estimate the share of this volume your principal competitors have (short-range by product).
- D. Please give your annual volume for the last three years.
- E. Long-range trend on each product.

IV. Customer Information

- A. Estimate number of customers for each product in this territory (short- and long-range).
- B. Description of purchasing procedures for each product:
 1. Initial orders.
 - a. Primary buying influences.
 - b. Secondary buying influences.
 2. Orders after being specified.
 - a. Primary buying influences.
 - b. Secondary buying influences.

V. Competitive Information

- A. Companies in competition by product.
 1. Number and size,
 2. Location,
 3. Characteristics,
 4. Policies,
 5. How long have they been in business?
 6. Evaluate their trade relations.
 7. Are they making a profit? Estimate.
 8. Are they growing? How fast?
- B. Competitive sales situation.
 1. How good are their salesmen?
 2. What kind of reputation do their salesmen have?
 3. Is the morale of their contact people good?
 4. Do they have a high rate of turnover?

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VI. Sales Information

- A. Description of internal sales organization.
- B. Description of external sales organization.
- C. System used for agent/principal communication.
- D. Methods used to evaluate sales representation.
 - 1. Effectiveness.
 - 2. Reputation.
 - 3. Morale.
 - 4. Training.
 - 5. Reports.
- E. Record of sales volume by product to date for this territory.
- F. Sales objectives for next year for this territory.

VII. Production Situation

- A. Is production limited or flexible?
- B. Difficulties in obtaining materials (projected).
- C. Pending production limitations and forecasts.

VIII. Advertising and Sales Promotion Information

- A. Advertising budget for this region, if any.
- B. Samples of advertising developed.
- C. Description of sales promotion activities (trade shows, films, etc.).
- D. Description of publicity samples and activities.
- E. Evaluation of activities to date.
- F. Samples of competitive advertising and literature.
- G. Estimate of competitive expenditures and allocations.
- H. Policies on cooperative advertising, if applicable.

IX. Sales Leads

- A. How are they generated?
- B. Qualified?
- C. How quickly are they furnished to salesmen?

X. Agent/Principal Relationship

- A. How is the exclusivity of this territory described and what are its boundaries?
- B. Have you any house accounts and if so, what is your commission structure?
- C. What are your policies on field back-up and visitation?
- D. What is your commission structure?
 - 1. Percentage amount.
 - 2. When paid.
- E. Do you currently work with a Representatives Advisory Council?
- F. What are your policies for termination?

XI. Written Agreement with Agent

What are the points you would like it to cover?

Interviewing Prospective Agents

You now have done all the groundwork needed to conduct personal interviews of prospective manufacturers' agents on your short list. The main purpose of the interview is to confirm basic information that you have collected earlier, and to explore in depth the subjects that could not be covered in preliminary correspondence.

The interaction between you and each agent you interview is very important to the future success and longevity of your relationship. Remember that any agent you hire should not be left to develop your new territory alone; you should have a partner with whom you often will want to communicate with.

Experienced personnel managers in large corporations have learned to be excellent listeners. They have fine-tuned their interview technique so that they get potential employees to expand their answers, thus revealing more about themselves than the question alone requires for an answer. In your interviews, try to avoid asking questions or making statements that can lead the agents to reply with the answers they believe you are seeking.

In order to evaluate objectively the results of your interviews, you should ask each agent the same questions and make notes of the responses.

The "Guidelines for a Manufacturer's Interview with an Agent", reproduced below, should be used as a resource list only. Not all of the questions will be relevant to your needs.

Guidelines for a Manufacturer's Interview With An Agent*

Because the selection of agents is so crucial to the success of your sales program, it is imperative that this choice be based on comprehensive information that be obtained only through prescreening and in-depth personal interviews.

There is a tendency to classify agents as one group, but there is a wide variety of agency operations in every industry - one-man and father and son operations, firms with 10 salesmen covering a particular area, and companies with 30 salesmen and 10 offices concentrating their efforts in the metropolitan areas, etc. Each has its own advantages, and your efforts to find the proper match will succeed if you persist in the search.

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The preliminary screening process should include:

- (1) A general matching of the agent's sales territory with the area you wish to cover. However, it needn't be an exact fit; the agent may be willing to make adjustments to fill your needs- extend or limit his sales boundaries for you.
- (2) Reviewing his product specialization and/or the industry he serves for compatibility with your own role in the marketplace.
- (3) Making inquiries within the industry as to the prospective agent's reputation and success in selling current lines.

Distance may dictate that you do some of your pre-screening of prospective agents by telephone. If this is the case, don't judge the worth of the candidate by the sound of his voice or by how readily he tells you what you want to hear. Use the call strictly for the gathering of facts, and to make sure you treat all the agents fairly and have some basis for comparison, use the same guidelines for all agents during your telephone interviews.

However you conduct your pre-screening, here are some of the points you will want to cover, adding or subtracting from the list as needed to fit your own special requirements:

Important Points To Cover With A Prospective Agent

I. Agency Size

Remember that the largest agencies are not necessarily the best. If an agency has too large a staff or represents too many principals, the staff may be order-takers and not salespeople. Size is not as important as other factors. Often the smaller agency needs your business more than the larger agency. If they can do justice to your products do not eliminate them because of size.

- A. How many field-sales personnel does your agency have?
- B. Do you work with sub-agents?
- C. Is the owner actively involved as a salesperson?
- D. What is the number of office personnel?
- E. Describe any long-range expansion plans.
- F. Would you be willing to expand in order to accommodate a new account?
- G. If so, how would you go about it?
- H. Is the agency a corporation, partnership or sole proprietorship?
- I. How many offices do you have?
- J. Do you have any plans for opening new offices?

II. Growth Patterns

- A. How long has the agency been established?
- B. Describe your sales growth pattern during this time.
- C. What is your present sales volume?
- D. What is your sales volume per outside man?
- E. What are your sales objectives for next year?

III. Territory

- A. Describe the territory covered by your agency.
- B. Are you willing to expand the territory?
- C. If so, how would you go about such an expansion?

IV. Product Line

- A. How many lines do you represent?
- B. Are your present lines compatible with ours?
- C. Do you feel there would be any conflict or competition?
- D. Would you be willing to change from your present product market?
- E. If so, how would you handle the new product line?
- F. What do you consider the minimum sales you need to justify handling our line?

V. Facilities and Equipment

- A. Do you have warehouse facilities?
- B. If so, what size?
- C. What is your method of stock control?
- D. Do you have data processing equipment?
- E. If so, please describe.
- F. What type of communications facilities do you have (i.e., TWX, Telex, Wats, etc.).

VI. Company Policies

- A. Describe your agency's program for sales staff compensation, benefit programs and training.
- B. Do you have any special incentive or motivation programs?
- C. How do you monitor sales performance?
 1. Sales volume
 2. Effectiveness
 3. Morale
 4. Reputation
 5. Reports
- D. Would you and/or your sales staff attend factory seminars?
- E. If so, what expenses would you expect the manufacturer to pay?
- F. What is your policy regarding field visitation by factory personnel?

VII. Customers

- A. Describe the kinds of customers you currently are contacting.
- B. Are they compatible with our product line?
- C. Who are your key accounts?

VIII. Principals

- A. How many principals are you currently representing?
- B. Do you have a line card?
- C. Would you be willing to furnish us with a copy?

IX. Marketing and Sales Promotion

- A. Would you be willing to assist us in compiling market research information for use in making forecasts?
- B. Are you presently doing this with your other principals?
- C. What media do you use to promote your principals' products?
- D. If you use direct mail, how many customers are on your mailing list?
- E. What type of brochure do you use to describe your agency?

X. Special Services

- A. Can your agency offer services such as writing quotes, making proposals and helping with customer education?
- B. Do you have a sales reporting system?
- C. If so, are present records available?
- D. Do you consider your agency a sales and service organization?
- E. What do you consider your agency's major strengths?

XI. Have You Made Contingency Plans for the Continuation of the Agency?

XII. References

- A. Banks
- B. Principals
- C. Customers

Chapter 5

Selecting the Right Agent

Following-up the Interview

If you have followed through with your plan to be objective in the interviews with all the manufacturers' agents, you now have notes on each agent's responses to the same questions and you can compare the responses one question at a time. Devise a simple rating system, perhaps a 1 to 5 numbering scale, denoting quality of response.

The next step is based on a more subjective evaluation of the agents. In your interview record, you will have made certain notations for your own reference, such as: This woman exhibited more enthusiasm than the other candidates; or this man talked about promotional ideas that demonstrated a high degree of creativity in finding ways to sell my product — he appeared to be more interested than average.

What about that sixth sense that manufacturers and agents call chemistry? Maybe the assertive stance an agent took during the interview left you with the feeling that the agent would overwhelm buyers, or worse, oversell your products to customers. It is very important that you feel compatible with the first agent you appoint in the United States.

If you have not previously checked the bank references as well as customers' and principals' references for a particular agent who scored high in your interview, now is the time to do a thorough check on all three counts. You might decide to go back to the agent if you require an explanation for a discrepancy in any of the references' comments. Let us hope the agent will do the same for you — if one of your references issues a word of caution to the agent about your company's past record of supplying the firm.

A Visit to Your Plant

As soon as you have selected the agent with whom you want to negotiate a contract, invite the agent to visit your Canadian head office and plant. Arrange for the other executives on your staff to meet with the agent and explain how each division operates. Make provisions for a mutually agreeable sharing of expenses for the visit to your plant.

Show the agent your company's quality control procedures, warehousing facilities and shipping system. If you are employing a direct sales staff in Canada, introduce the new agent to some members of the sales team.

Some future problems in the new U.S. territory can be handled by long-distance. From now on, your U.S. agent will be communicating with someone whom the agent has met at your plant.

Chapter 6

The Contract

Negotiating with Agents

The interviews are over. The agent of your choice has met your head office staff. It is time to complete the negotiation on all those important points you have been discussing. Some compromise — on both sides — is usually in order. It is rare that even the agent you selected as the best from the interview process fits exactly into the pattern of working with your company that you envisaged in your blueprint for the ideal agency.

There are five main topics that require considerable discussion when a manufacturer and an agent start negotiating to reach an agreement on how to do business together. These are:

1. Duration of the relationship
2. Duties to be performed by each party
3. Territory, specifics on geographic area and customer accounts, including exclusivity elements, if any
4. Commission and salary, if applicable; also, any draws on commissions or bonuses
5. Termination of the relationship

At some point soon, you will need an experienced lawyer to draft your formal agreement, but for now, you and the agent have much to discuss before you are ready to reach such an agreement.

Some topics that require a "give and take" discussion during the negotiation process between manufacturer and agent are (a) territory, (b) exclusivity, (c) rate of commission, and (d) other considerations. The points outlined here are only examples and may vary considerably in particular cases.

(a) Territory

Let us suppose that the agent or agency you selected covers a geographic territory larger than the one you planned for your first marketing and sales effort in the U.S. Because of a good reputation and the demonstration of considerable initiative in the interview, you want to work with that agent. However, the agent will not budge on this negotiation point, saying that the territory must be kept as it is to keep his/her sub-agents satisfied and to fully represent all product lines. What do you do? You might decide to give on this point, provided that there is a joint strategy between each party to ensure that the product is promoted only to customers in the territory whose orders your plant is capable of supplying on time. This last proviso requires the agency to give a little on its original position.

When growth in production capacity at your plant is accomplished, the agency will be able to sell to all your potential customers in its territory without overextending your capability to supply. If you believe this agency can do a good job for you, and if you really want to sign a contract, you might decide to accept the agency's territorial boundaries as the market area for your product line.

(b) Exclusivity

The negotiation on exclusivity can be tricky. Make sure you define exclusivity in terms that both you and the agent can live with. Most agents ask for exclusive rights to all sales in the territory. What if you, the Canadian supplier, want to keep a few traditional house accounts that you might have built up over the years? Someone has to give on this point. What if a new buyer in the territory wants to deal directly with the Canadian plant and bypass the agent? This is negotiable, but be prepared to consider paying a commission to the agent, even if you agree that your plant can sell directly to a few customers who insist on this practice.

(c) Rate of Commission

Manufacturers who are new to the United States market may find that many agents negotiate higher-than-average commissions or retainers to help offset start-up expenses in pioneering a new line in their territory. This can happen if you have persuaded an agent to expand the territory, which leads to frequent overnight trips to new customers. You should approach such situations with caution, but also with an open mind. The sales agent might be justified in the request for a higher commission, particularly in industry sectors where original equipment manufacturers demand custom-designed products requiring a longer-than-usual selling process.

On the other hand, an agent who is calling on the type of customer your company is targeting does not usually justify a commission rate higher than the average. (See Appendix 3 for some average rates of sales commissions.) You are required to make a judgment call in such situations, as well as to have a prepared approach to the whole negotiation process.

(d) Other Considerations

There are many other points for debate during the negotiation of the terms of a contract. The following list covers additional topics most common to discussions between agents and manufacturers:

- how the agent contracts with customers for sale of the supplier's products;
- type of relationship, e.g. manufacturer and independent contractor;
- how orders are handled, e.g. whether a customer in the U.S. territory orders directly from the Canadian supplier; how invoices are handled;
- transfer of pre-screened sales leads from manufacturer to agent, e.g. leads obtained from the manufacturer's participation in trade shows in the U.S. territory, or from an advertising campaign;

- payment of commissions, including agreement on the basis for their calculation, and related aspects, e.g. date when commission is earned by agent and date payable by manufacturer;
- expense account process, e.g. expense responsibility for sales meetings called by manufacturer;
- non-competitive clause agreement, e.g. types of products the agent will not be permitted to handle within a particular product line;
- procedures for termination of the contract by both parties, especially length of notice (usually 90 to 120 days) if one party terminates, including eligibility criteria for payment of commissions for orders in process;
- liability of the manufacturer, e.g. for loss or damage caused by the product; liability of the agent for over-selling the product's qualities to the customer; liability insurance coverage;
- servicing of the U.S. customer's account, e.g. after-sales supplying of spare parts;
- confidentiality clause regarding handling of trade secrets which the agent may learn from the manufacturer; and
- advertising costs, e.g. responsibility for payment of regional or national coverage in the U.S.

While these topics indicate some of the items which may need to be negotiated for your particular agreement, only your lawyer can do the fine-tuning of your negotiation process with the agent. Work closely with your lawyer — before any areas of negotiation are finalized in a formal contract.

How Valuable Is Your Lawyer?

There are many stories on record of U.S. agents and manufacturers who did business together for years on a handshake or word of honour, with few serious problems. Then one party fell ill, or one of the companies was acquired by a third party that did not approve of the manufacturer's marketing strategy. The sad results of such cases justify the wide acceptance within the United States of a written, signed contract between a manufacturer and an agent.

What kind of lawyer should you hire to help you with the drafting of appropriate clauses for your particular agreement with a U.S. agent? In general, hire a reputable lawyer who is familiar with international business agreements and who has considerable experience negotiating agreements between manufacturers and their U.S. agents. Make certain that your lawyer has experience drafting Canada-U.S. business agreements and overseeing the final contract. Your lawyer also should be knowledgeable about litigation procedures south of the border and willing to work with your accountant, who should be aware of all the financial ins and outs of doing business across the Canada-U.S. border.

Further, your lawyer must be familiar with, and up-to-date on laws in the U.S. states. Remember that, unless a contract specifically provides for its governing law, it is interpreted according to the law and usage of the place where it is to be performed. Some U.S. states are more liberal than others in their interpretation of the clauses of contracts. Some states have statutes which provide after-termination commission rights.

Be aware of the realities of signing agreements that become binding contracts between international business partners. Hire an expert.

Type of Contract

The type of agreement you, your agent and your lawyers draw up, and eventually sign, will depend on the nature of each party's responsibilities and requirements. Some of the various types of agreements are Marketing Agents Agreement, Sub-Agent (independent contractor) Agreement, Sales Agency Agreement, and Sales Representative Agreement.

If you are a first-time exporter to the U.S. with a newly appointed sales agent, the specimen agreement in Appendix 4 (Guideline Information for Preparation of Manufacturers' or Suppliers' Sales Agency Agreement) is provided as a general outline on issues to be covered. Remember that your agreement must be tailored to satisfy the specific requirements of you and your agent; therefore, the specimen agreement might not contain some clauses necessary for your agreement.

Today it seems that almost 90 per cent of contracts omit the servicing responsibilities, if any, of the manufacturers' agent. This is a potentially dangerous omission. In some industry sectors, it is common to ask agents to perform after-sales servicing, stocking of spare parts, or even warehousing. Only you and your agent can determine what will work best for you.

Finally, get your written agreement signed. It does not become a formal legal contract until it has been signed by both parties. Many lawyers advise having a contract state that it is valid for a fixed term, at which time each party will evaluate the relationship before a renewal of the contract is arranged.

Chapter 7

Communication: A Continuing Process

GETTING STARTED

Trust

The contract with your agent is signed. Both you and the agent have discussed the goals each of you has for developing your own businesses. It has been agreed that you are marketing with the long term in mind. How can you and your agent establish mutual trust and a good working relationship as soon as possible?

If each party begins the working relationship with the assumption of trust, it is probable that both agent and manufacturer will work to maintain this atmosphere of good faith. As the manufacturer, you can work out a program for effective communication with the agent.

Communication

In this publication, we have stressed a positive approach to the manufacturer-agent relationship. It is also important to remember that agents who have returned home should not be forgotten about for weeks at a time.

The agent has independent contractor status and is really your business partner in terms of functioning for you in the field. Teamwork takes practice. What if you have to make a business trip and the agent has to solve an urgent problem with the assistance of someone else in your plant in Canada? Things will go much smoother if your agent has met all your company managers and key personnel. Your own people should have been well briefed on the details of your company's contract with the agent.

Public Relations

Your current and potential customers should be made aware of this new relationship between you and your agent. And what about spreading the news within your industry sector? Together, you and your agent should draw up a plan that might look something like this:

1. The Canadian supplier should write a letter to any of the supplier's present accounts in the agent's territory. (This may not apply if you have never exported to the U.S. before hiring the agent.) Emphasize that quality of service should improve under the new relationship.
2. Your company's public relations section or a professional advertising agency can draft a press release to be sent to media, such as newspapers in the territory (business editors) and entrepreneurial journals, or to professional associations, if applicable (engineers, for example).
3. Send feature articles to regional and national trade journals within your industry sector, e.g. toy and hobby magazines, apparel and clothing journals or weeklies, and automotive parts association newsletters.
4. A letter should be sent to the agent's present customers announcing your line, perhaps with a catalogue.
5. With your help, the agent should mail a promotional piece on your product line to other potential customers in the territory.
6. Personal visits by yourself, with your agent, to a few key customers the agent feels are likely to be volume purchasers of your line can prove worthwhile. Canada still seems far away to many American businesspeople. You can obtain feedback on the products you are offering in the U.S., and on the requirements of some of your customers.

The Breaking-in Period

There are several tactics you can use to help your new agent become familiar with your company and its products. Depending on the size of your business and the extent of your product line, modifications to some of the following suggestions may be necessary.

1. Write down a set of specific goals for the breaking-in period. Consider what is a reasonable time frame for certain goals to be met within your industry sector, keeping in mind the buying patterns in the new territory.
2. Give the agent an outline of the marketing strategy you developed for the territory (and perhaps for a larger region of the U.S. eventually).
3. Discuss these goals with your agent to ensure that they are realistic for the territory.
4. Develop a short policy manual on your company with the help of your marketing specialist, comptroller, engineers (if applicable), support staff, shipper, and so on. Include topics such as product service, handling of complaints, warranties, order system, advertising, shipping procedures, screening of sales leads, sales commissions formula, and processing.
5. Put together a training program for the agent (and the agent's staff, if any). Consider that short sessions are appropriate when "time is money" for the agent. Consider written manuals, word-processed diskettes, or videos produced inexpensively by your head office staff. The agent can use these in the territory when time allows.
6. Schedule at least one sales meeting, preferably at your plant, within the first six months. An agency will have to plan well in advance to get its staff together at one time. A single agent is more flexible, but will have commitments.
7. Agree on a consistent method for distributing sales literature and other promotional tools to the territory. Timing is very important for seasonal consumer products, e.g. Christmas, summer, etc.
8. Plan with the agent for an evaluation meeting within a reasonable period for your industry, based on the goals you set together (see no. 1 of this list). For consumer products, this could be within two months; for industrial and high-technology equipment, especially with custom-designed components, the breaking-in period could be as long as a year.

Rules of Fair Play

Many manufacturers and agents have stories to tell about past contractual relationships that turned sour. Is there anything to be learned from retelling history?

Some U.S. manufacturers' agents, because they have had a negative experience while representing another Canadian supplier, might be reluctant to represent your company. Conversely, some Canadian manufacturers have their own tales to tell about the past lack of commitment on the part of their former U.S. agents. In the following two cases, the outcome was unfortunate for either the manufacturer or the agent, but it is important to remember that all is not what it seems. How did these cases end up this way, and how can similar situations be prevented?

Case A

A manufacturers' agency in the United States put considerable money and time into building a customer base for the Canadian supplier. Things were going well, but the contract renewal date passed, and when contacted, the manufacturer said, "No," and withdrew from the territory. The agent, who thought this was the beginning of a long relationship, felt cheated, even though commissions on sales for a period after cancellation were paid.

Case B

The Canadian manufacturer expended considerable effort and money in supporting the sales agency's efforts in the United States to build a good customer base for the manufacturer's line. The agency then terminated the contract, picked up a U.S. competitor's line, and supplied the same customers.

Reasons for Termination

What possible reasons can be given for the termination of the two relationships outlined in Cases A and B?

Good faith and fair dealing imply a style of doing business that is based on honesty at the start of a relationship. Briefly, Case A might have been the result of a desperate Canadian manufacturer whose domestic sales were down during a recession in the marketplace. The manufacturer may have tried to penetrate a new territory south of the border, as a short-term measure, until things improved in the home market. This has happened to more than one agent in the United States. In the future, these same agents will want to see a Canadian manufacturer's long-term market strategy before considering any agreement of representation.

Case B might have been a situation arising from any of several reasons. The first could have been that the Canadian product line was not competitive, in either price or quality, with similar products on the market. This should have been obvious from the start — if both manufacturer and agent had done their homework. Another possible reason for the termination in Case B might have been a lack of timely evaluation procedures by both manufacturer and agent. Small irritations can add up, and the agent might have been lacking in sufficient experience to push the manufacturer into an open discussion about areas where the sales relationship needed to improve.

Evaluating the Agent

Since this publication is directed towards new Canadian exporters to the U.S. who want to utilize manufacturers' agents, this section will provide a few guidelines for evaluating the agent's performance. Let us not forget, however, that your own performance as the supplier will be judged accordingly by your agent.

The basis for the evaluation procedures should have been laid down by you and your agent when you set objectives for the breaking-in period for the relationship. Have these goals been met within the agreed upon time frame?

One method employed by manufacturers when evaluating agents is the evaluation sheet, which lists perhaps 12 to 15 performance requirements. The main items on such lists are:

1. Product knowledge
2. Advertising and promotion of product
3. New account production
4. Preparation for sales calls
5. Sales presentations
6. Follow-up
7. Tracking the competition*

The rating scale of 1 to 10 can be used when making your evaluation of each requirement on the list. You should be able to justify the ratings with records and results for each category of performance by the agent. Add the ratings to get the total score out of whatever is possible from your particular list.

The evaluation should include some subjective criteria as well, which leaves room for the human element in the sales representation relationship. The following are some questions you might ask yourself and your staff about the agent who is being evaluated:

- Does the agent communicate well with your home-base staff in Canada, e.g. the ordering department?
- How resourceful is the agent in initiating new ways to sell your company's line?
- How interested is the agent in doing the job better?

What Next?

There is no guarantee that you will hire the right manufacturer's agent on the first attempt, but you are confident your product is marketable as well as competitive in the U.S. How then can you minimize the market share lost if you need to recruit a new agent?

One approach to this potential setback is to target two or three U.S. territories simultaneously. You do so by hiring agents in neighbouring regions. Should one agent perform, you are right. If all your agents fail, there is a strong likelihood that something is wrong with your marketing mix, i.e. the right product at the right price, in the right place, and with the right promotion.

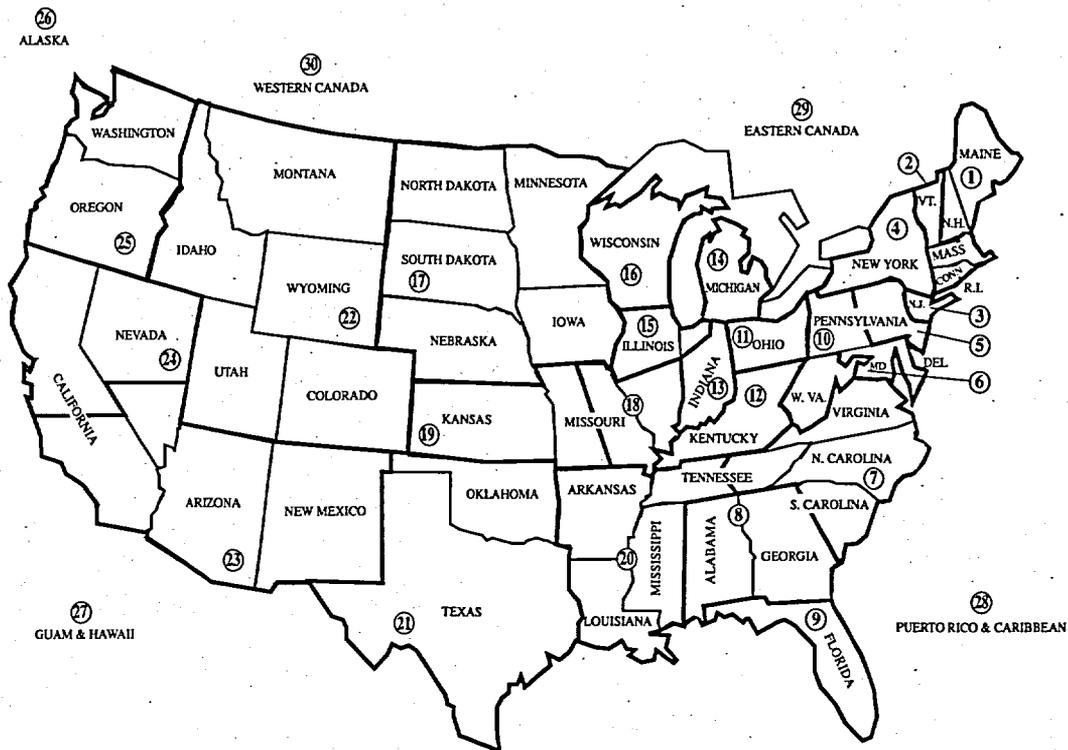
The Bottom Line

The well-worn expression that "communication is a two-way street" is nonetheless true. In the manufacturer-agent relationship, continuing and frequent contact is crucial to the success of the partnership. Whether this communication is by voicetapes sent in the mail once every couple of weeks, frequent telephone calls, or pertinent messages on postcards, the continuing effort to keep each other informed builds mutual trust. This shared respect goes a long way in ensuring that small problems remain small, and that good sales get better.

* "How to Evaluate the First Agency of the Team," MANA Directory, 1986, page XIX.

Appendix 1

Typical Marketing Areas*



These territorial designations are only suggestions, and should be modified to suit your needs and the marketing capabilities of your manufacturers' agent. The modifications should be based on the type of material or product to be sold, your agent's established territory, natural geographic boundaries, and historical marketing divisions. The agreed upon territory or territories should be included in the contract with your manufacturers' agent.

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> 1. Eastern Massachusetts, Rhode Island, New Hampshire, Maine. 2. Connecticut, western Massachusetts, Vermont. 3. New York City, Long Island, Westchester County, New Jersey north of Trenton. 4. New York Upstate. 5. New Jersey, Trenton and south, Pennsylvania east of Harrisburg. 6. Maryland, Delaware, District of Columbia, northern Virginia. 7. Southern Virginia, North Carolina, South Carolina, eastern Tennessee. 8. Georgia and Alabama. 9. Florida. 10. Western Pennsylvania to Harrisburg, West Virginia. 11. Ohio north of Route 40. 12. Ohio south of Route 40, Kentucky. 13. Indiana, except northwestern counties. 14. Michigan and Toledo, Ohio. 15. Illinois, north of Rt. 36 and Lake, Porter and LaPorte counties of Indiana. | <ul style="list-style-type: none"> 16. Wisconsin and northwestern Michigan (area northwest of Lake Michigan). 17. Minnesota. May include North and South Dakota and all or part of Iowa and Nebraska. 18. Eastern Missouri, southern Illinois. 19. Western Missouri, Kansas. 20. Louisiana, Mississippi, Arkansas, western Tennessee. 21. Texas and Oklahoma. 22. Colorado, Utah. May include Montana, Idaho, Wyoming. 23. California, Bakersfield and south, Arizona, southern Nevada and New Mexico. 24. California, north of Bakersfield, part of Nevada. | <ul style="list-style-type: none"> 25. Washington and Oregon. 26. Alaska. 27. Hawaii and Guam. 28. Puerto Rico and Caribbean. 29. Eastern Canada. 30. Western Canada. <p>Other Territories</p> <ul style="list-style-type: none"> 31. INTERNATIONAL 32. NATIONAL 33. MEXICO & CENTRAL AMERICA 34. SOUTH AMERICA 35. EUROPE 36. ASIA 37. MIDDLE EAST 38. CONTINENTAL U.S. |
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Appendix 2

Exporting to the United States

FTA Qualifications, Customs Regulations, Marking and Costing, Rules of Origin

After January 1, 1998, all products that qualify as "Canadian" will, with a very few exceptions, enter the United States duty free under the Free Trade Agreement (FTA). Each group of goods has a schedule of duty reducing annually until that date. Due, however, to pressure by both exporters and importers on both sides of the border, a large number of items, many with export value in the millions, are being fast-tracked so all Customs duties are removed now instead of gradually. Thus, during this transition period, keep in close touch with your U.S. Customs broker (See Appendix 5 for listing) or with External Affairs and International Trade Canada (EAITC), U.S. Tariffs and Market Access Division, 125 Sussex Drive, Ottawa, K1A 0G2. Tel.: (613) 991-2056. Fax: (613) 991-4840.

To qualify under the FTA products must:

- (1) Have a correct Harmonized System (HS) number on documents.*
- (2) Must be grown, processed and packed in Canada, or be manufactured in Canada from ingredients or parts also made in Canada, or
- (3) The parts and ingredients that are made in Canada, plus the cost of processing done in Canada, must exceed 50 per cent of the sales price. The HS number must then be different from the HS number of the non-Canadian parts.
- (4) Products, unless on the exempt list (called the "J List") must be correctly marked "Made in Canada" or "Product of Canada".** Further details are provided in the supplement at the end of this Appendix.
- (5) Shipment must be on a through bill of lading, even if trans-shipment is necessary, to a destination in the U.S.

Rules for imported textiles and clothing are more stringent than the above if they are from a developing country. Until at least the end of 1992, which may or may not be extended, they come under the Tariff Rate Quota. If the material was imported from the U.S. or made in Canada, there should be no difficulty.

Nearly all U.S. buyers demand a duty paid, delivered price. Even if your products are not subject to duty, the use of a costing sheet is recommended. First, it is a permanent record; second, it ensures no item of cost is omitted. U.S. Customs Services uses the "total monies concept" in assessing all entries. That is, all costs, whether dutiable or not, or paid by either exporter or importer, must be shown on the invoice. Example, a U.S. customer returns a purchase to the Canadian supplier for repair under warranty. When returning the item to the U.S., the supplier must show the value of repairs with the note, "No charge to recipient as under warranty". If anything is omitted, the exporter can be charged with one of three types of fraud. Even the most minor type results in delay and expense.

If your products are dutiable, it is advisable to apply for a firm ruling. Once issued, the reducing duties are shown. You are assigned a number and if this is on your invoices, no one can charge duty different from that shown. If your goods are duty free, the ruling confirms your classification. Many Canadian firms each year have been assessed additional duty or penalties months after entry because their goods were not properly assessed at the border. To apply for a firm ruling, send samples, if practical; otherwise, sketches of the product with a complete list of ingredients, showing the percentage and cost of each in U.S. currency. Then detail every step of your production process. Omit nothing. If your description is complete, you will receive the ruling in about two months. It is obtained from:

Regional Commissioner of Customs
U.S. Customs Service
Classifications and Rulings
Room 716 - 6 World Trade Centre
New York, N.Y. 10048 U.S.A.

Caution: If at any time ingredients or manufacturing process is changed, notify the Commissioner. This voids the ruling.

"Made in Canada": See *Export Techniques*, pages 126 to 136 (J.R. Arnold, P.O. Box 1556, Parksville, B.C. V9P 2H4, \$24.95 delivered. No tax). It gives complete list of products exempt from marking and exactly where and how to mark all others.

Marking of Country of Origin on U.S. Imports
(Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Ask for it by title and number J 726-811. No price is stated).

Shipping by Parcel Post:

For any producer whose goods are suitable, parcel post may be an ideal way to ship to the U.S. Canada Post will give the maximum size and weights of containers. Goods to the value of \$US1,000.00 per day may be sent to a U.S. buyer. Arrangements must be approved — in advance — by the buyer.

Attach documents firmly to one carton, or put them inside a carton. In either case, mark the carton "INVOICE ENCLOSED".

The shipment goes to a special Customs branch. There duty, if any, is calculated and the shipment then is delivered promptly. The buyer pays the duty (if any), plus \$1.00 for the service. If you have a firm ruling, you can figure all charges exactly and you or your agent can give the buyer the exact charge. The exporter benefits, too, as no U.S. Customs broker fee is charged.

Three Warnings:

1. Each carton must be plainly marked "May be opened by U.S. Customs for Inspection". If not so marked, the whole shipment will be confiscated.
2. Pack systematically — regardless of method of shipping. Never co-mingle items in the same carton. It will result in delay and, if duty is payable, all items will be charged the highest rate applying to any one item in the box.
3. Supply the same documents as for any other method of shipping.

Documentation

Although the U.S. Customs Service leads the world in innovation, and presently is conducting a two-year trial with some large companies testing use of one-document entry and also no documents with clearance made by information sent electronically, it still demands a number of documents from all other foreign exporters. Each must be completed carefully.

If in doubt, check with your U.S. Customs broker for first shipment. After that, it is quite easy — if photocopies are made and kept.

- (1) As of July 2, 1990, B-13 forms are no longer required for shipments to the U.S. unless, (a) you ship satellite equipment; aircraft; uranium or precious metals, or (b) goods are in transit in the U.S. for a third-country destination. Further information will be given by Statistics Canada: (Mr. Drover), tel.: (613) 951-7133.
- (2) As of February 8, 1990, every U.S. importer must use his/her Importer Identification Number. This can be the importer's Internal Revenue Service Employer Number, or Social Security Number. If there is neither, the importer must apply to the U.S. Customs (form 5106) for such a number. Instruct your manufacturer's agent in the U.S. to see that the correct number for each importer is on the order before forwarding the order to you.
- (3) Certificate of origin. A copy may be obtained from Canada Customs at no cost, but you must photocopy a supply for your needs. Instructions for its completion are on the back. Either Canada Customs or your forwarding agent will assist you if necessary.
- (4) Three copies of your packing list. Number each carton and show the contents and the value beside each number.
- (5) Before packing, make sure all items are properly marked "Made in Canada".
- (6) At least one copy of your commercial invoice with HS numbers, quantities, values, and invoice total.
- (7) Check with U.S. Tariffs and Market Access Division of External Affairs and International Trade Canada — if you are shipping drugs, foodstuffs, textiles, or things made from feathers or antlers, live plants or live animals. Additional and different documents, in addition to the first 6, must be added.
- (8) Mandatory new labelling laws for processed foods (except poultry and meat) are being phased in. These pertain to listing ingredients and stating nutritional values. Present exporters of processed foods as well as new shippers to U.S. may check with External Affairs and International Trade Canada.

The Goods and Services Tax (GST)

Exports are supposed to be "zero rated" for the GST; if paid, you can claim a refund or drawback. Often, on freight within Canada and on a forwarding agent's fee, the tax is so small that the cost of applying for each refund appears as much as the refund will yield. The Canadian Exporters' Association (CEA) is working with government to simplify the imposition of this tax. At present, the CEA has one concession: If you export from point of origin to U.S. destination on a through bill of lading (B/L) and have the B/L stamped "The goods are being shipped for export and this freight service is part of a continuous freight movement in respect of this property", no GST will be collected.

Business Travel to the U.S.

Under the FTA, travel restrictions for business have been relaxed greatly. Now business travellers are grouped into four types. In every instance, proof of Canadian citizenship must be produced — preferably by either birth certificate or passport.

1. **Business visitors (B-1 Status):** Temporary entry to engage in research, design, marketing, sales service, distribution or general services. Applicant must be in receipt of remuneration from a Canadian employer. Apply at port of entry. No fee is charged.
2. **Intra-Company transfers (L-1 Status):** U.S. employer must complete a form (1-129L) from U.S. Immigration and Naturalization Office. The transferee must have worked at least one year continuously for the company as a manager, executive or specialist. He must render the same service to the same company or a subsidiary in the U.S., or an affiliate. Transferee presents form 1-129L to a port of entry with proof of experience. Fee \$US 35.00 Entry is on a temporary basis.

3. **Professionals: (TC-1 Status):** Applicants must hold at least a bachelor's degree in their area of work or its equivalent for temporary admission to work in their profession. Also, applicant must produce a letter from their U.S. employer and supporting documents telling type of activity in which they will be engaged, remuneration, educational credentials and proof they meet all requirements for the state in which they will work, in relation to their profession. Fee, paid at port of entry, is \$US 50.00. Written permission will be given to work in the U.S. A list of 55 professions which qualify, is provided below.
4. **Traders and Investors: (E Visa):** Application must be made at U.S. Consulate in Canada with fee of \$US 45.00. Applicants must be managers or executives with skills to operate or assist Canadian-owned or Canadian-controlled firms in the U.S. whose principal business is between Canada and the U.S. in goods or services. Also qualified are individuals who have either invested heavily in the U.S. or are negotiating to invest. They must be prepared to direct the new company.

List of Professionals

Accountant, agronomist, agriculturist, animal breeder, animal scientist, architect, biochemist, biologist, computer systems analyst, clinical lab technician, dairy scientist, dentist, dietician, disaster relief, insurance claims adjuster, economist, entomologist, forester, geneticist, geophysicist, horticulturist, hotel manager, journalist, lawyer, librarian, management consultant, mathematician, medical technologist, nutritionist, pharmacologist, physician (for teaching and research only), plant breeder, poultry scientist, psychologist, range manager, registered nurse, research assistant in agricultural sciences, astronomy, biology, chemistry, forestry, geology, geophysics, meteorology or physics, soil scientist, social worker, silviculturist, teacher at university, college or seminars, technical publication writer, veterinarian, vocational counsellor, zoologist and epidemiologist.

Additional Information

Additional information on the FTA and the harmonized system of classification can be obtained by calling the Canada Customs Office in your region. A list of such numbers is provided in Appendix 7.

Marking Requirement Supplement

By Section 304, of the U.S. Tariff Act, the following items are not required to have marking:

- A. Any article that is not capable of being marked.
- B. An article that, before shipment to the U.S., cannot be marked, except at a cost economically prohibitive to its importation.
- C. An article that cannot be marked prior to exportation to the U.S. without injury to the article.
- D. When the container of an article reasonably indicates origin of the article, and the marked container is to reach the ultimate purchaser unopened.
- E. An article in crude substance.
- F. An article imported for the use of the importer, and not intended for sale in its imported or any other form.
- G. An article to be processed in the U.S. by the importer, or for his account, in such a manner that any marking would be permanently concealed, obliterated or destroyed.
- H. When the ultimate purchaser, by reason of the character of the article or by reason of the circumstances of its importation, necessarily must know the country of origin of such article — even though it is not marked to indicate its origin.
- I. The article was produced more than 20 years before its importation into the U.S.
- J. Articles of a kind and class imported in large quantities for a five-year period immediately preceding January 1, 1937, and which were not required to be marked (See J. List — Page 30).
- K. The article cannot be marked after importation, except at an expense that would be economically prohibitive (unless the importer, producer, seller or shipper failed to mark the article before importation to avoid meeting the requirements of the law).

Other articles not required to be marked with the country of origin are:

1. Articles valued at \$US 1.00 or less which are passed without the filing of a Customs entry.
2. Articles brought into a foreign trade zone or a bond warehouse for immediate exportation or for transportation and exportation.
3. Products which are from American fisheries and are duty free.
4. Products of possessions of the U.S.
5. Products of the U.S. exported and returned.
6. Bona fide gifts from persons in foreign countries; provided the aggregate value of articles received by one person on one day does not exceed US\$ 10 retail value, these articles are exempted from the payment of duty.

The purpose of marking country of origin is to inform the ultimate purchaser in the U.S. where the article was made or produced. The marking must be legible. It must be adequate in size and clear enough to read by any person with normal vision. The marking must be in a conspicuous, but not necessarily the most conspicuous, place. It must, however, be where it can be seen with casual handling of the article.

The marking must be as indelibly and permanently as the nature of the product will allow. Any reasonable marking or method of marking that conforms to the purpose of the law is acceptable. Marking that will not remain on the article during handling, or for any other reason, except deliberate removal, is not acceptable.

The best type of marking is one which becomes a part of the article itself, such as branding, stenciling, printing, molding and similar methods.

Other forms of marking are acceptable if it is certain the marking used will remain legible and conspicuous until the article reaches the ultimate purchaser in the U.S. It must be able to withstand handling. Also, it must be a type that only can be defaced, destroyed, removed, altered, obscured or obliterated by a deliberate act.

In a few instances adhesive labels are acceptable. Often, however, they become loose due to weather and handling.

The "J" List

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| <p>Art, works of</p> <p>Articles described in items 850.40, 850.70, 851.30 and 853.30 of the Tariff Schedule of U.S. Customs</p> <p>Articles entered in good faith as antiques and rejected as unauthentic.</p> <p>Bagging, waste.</p> <p>Bags, jute.</p> <p>Bands, steel.</p> <p>Beads, unstrung.</p> <p>Bearings, ball, 5/8-inch or less in diameter.</p> <p>Blanks, metal, to be plated.</p> <p>Bodies, harvest hat.</p> <p>Bolts, nuts and washers.</p> <p>Briarwood in blocks.</p> <p>Briquettes, coal or coke.</p> <p>Buckies, 1-inch or less in greatest dimension.</p> <p>Burlap.</p> <p>Buttons.</p> <p>Cards, playing.</p> <p>Cellophane and celluloid in sheets, bands or strips.</p> <p>Chemicals, drugs, medicinal, and similar substances, when imported in capsules, pills, tablets, lozenges, or trochees.</p> <p>Cigars and cigarettes.</p> <p>Covers, straw bottle.</p> <p>Dies, diamond wire, unmounted</p> <p>Dowels, wooden.</p> <p>Effects, theatrical.</p> <p>Eggs.</p> <p>Feathers.</p> <p>Firewood.</p> <p>Flooring, not further manufactured than planed, tongued and grooved.</p> <p>Flowers, artificial, except bunches.</p> <p>Flowers, cut.</p> | <p>Glass, cut to shape and size for use in clocks, hand, pocket and purse mirrors, and other glass of similar sizes, not including lenses or watch crystals.</p> <p>Glides, furniture, except glides with prongs.</p> <p>Hairnets.</p> <p>Hides, raw.</p> <p>Hooks, fish, except shelled fish hooks.</p> <p>Hoops, wood, barrel.</p> <p>Laths.</p> <p>Leather, except finished.</p> <p>Livestock.</p> <p>Lumber, sawed.</p> <p>Metal bars, except concrete reinforcement bars, billets, blocks, blooms, ingots, pigs, plates, sheets, except galvanized sheets, shafting, slabs, and metal in similar forms.</p> <p>Mica not further manufactured than cut or stamped to dimensions, shape or form.</p> <p>Monuments.</p> <p>Nails, spikes and staples.</p> <p>Natural products such as vegetables, fruits, nuts, berries, and live or dead animals, fish, and birds, all the foregoing which are in their natural state or not advanced in any manner further than is necessary for their safe transportation.</p> <p>Nets, bottle, wire.</p> <p>Paper, newsprint.</p> <p>Paper, stencil.</p> <p>Paper, stock.</p> <p>Parchment and vellum.</p> <p>Parts for machines imported from the same country as the parts.</p> <p>Pickets, wood.</p> <p>Pins, turning.</p> <p>Pipes, iron or steel, and pipe fittings of cast or malleable iron (except cast iron soil pipe and fittings).</p> | <p>Plants, shrubs and other nursery stock.</p> <p>Plugs, tie.</p> <p>Poles, bamboo.</p> <p>Poles, electric light, telegraph, telephone and trolley (wood).</p> <p>Posts (wood) fences.</p> <p>Pulpwood.</p> <p>Rags (including wiping rags).</p> <p>Railway materials described in items 610.20 through 610.26, Tariff Schedule of U.S. Customs.</p> <p>Ribbon.</p> <p>Rivet.</p> <p>Rope, including wire rope, cordage, cords, twines, threads and yarns.</p> <p>Scrap and waste.</p> <p>Screws.</p> <p>Shims, track.</p> <p>Shingles (wood) bundles of - except bundles of red cedar shingles.</p> <p>Skins, raw fur.</p> <p>Sponges.</p> <p>Springs, watch.</p> <p>Stamps, postage and revenue, and other items covered by 274.40 of Tariff Schedule U.S. Customs.</p> <p>Staves (wood).</p> <p>Steel, hoop.</p> <p>Sugar, maple.</p> <p>Ties (wood) railroad.</p> <p>Tiles, not over 1-inch in greatest dimension.</p> <p>Timbers, sawed.</p> <p>Tips, penholders.</p> <p>Trees, Christmas.</p> <p>Weights, analytical and precision, in sets.</p> <p>Wicking, candles.</p> <p>Wire, except barbed.</p> |
|---|---|---|

Rules of Origin

The Free Trade Agreement between Canada and the United States, which came into effect on January 1, 1989, will eliminate tariffs on trade in goods between the two countries by January 1, 1998. Specific rules, called the FTA rules of origin, were included in the Free Trade Agreement to define which goods qualify for reduced or eliminated tariffs. These rules are included in Chapter Three and Annex 301.2 of the Free Trade Agreement.

• The Harmonized System (HS)

The rules of origin use the Harmonized System of Tariff Classification and Statistical Coding (HS) which designates an eight-digit number for each type of good. Bicycle seats, for example, are given the HS code 8714.9500 and toy trumpets are given 9503.5000. This system provides a common language to importers, exporters and customs services worldwide. The first six digits of classification are the same internationally, with some variation between countries for the remaining digits. It is these six digits which are used in applying the FTA rules of Origin and completing the Exporter's Certificate of Origin.

The correct HS classification of an export product is *indispensable* when determining whether that export qualifies under the FTA rules of origin.

Exporters who are unsure about the correct HS of their product should seek advice from their U.S. broker or contact the U.S. Customs Service at:

Portland, Maine:	(207) 780-3329
Champlain, New York:	(518) 298-8311
Buffalo, New York:	(716) 846-4351
Detroit, Michigan:	(313) 226-3149
Pembina, North Dakota:	(701) 825-6201
Blaine, Washington:	(206) 332-5771

Callers will be referred to the appropriate U.S. Customs Import Specialist.

• The Rules of Origin

Generally, goods wholly produced in Canada and/or the United States (such as wheat grown in Saskatchewan, iron ore mined in Ohio, or Canadian furniture made from Vermont lumber) automatically qualify under the FTA rules of origin. These products qualify under criteria 5A of the Exporter's Certificate of Origin.

Many other goods, however, which incorporate components and materials *not* produced in Canada and/or the United States may still qualify under the Rules of Origin, using criteria 5B1, 5B2, or 5C of the Exporter's Certificate of Origin. These goods — such as Canadian cakes made with Jamaican sugar or U.S. jewellery made from Russian gold — will qualify for FTA treatment if they satisfy the *specific* rule of origin which applies to the product.

Although the Rules of Origin are detailed and specific, two general principles apply:

1. Third-country components must undergo a transformation in Canada and/or the United States sufficient to change their HS classification *and* satisfy the appropriate rule of origin. There are 135 specific rules of origin which detail the degree of transformation for each third-country material or component that will allow the exported product to qualify for FTA treatment. For example, crude oil (HS 2709.0000) imported into Canada from a third country cannot receive FTA treatment if it is exported unchanged to the United States. However, if the crude oil is sufficiently processed in Canada to change its HS classification to that of lubricating oil (HS 2710.0030) it will then qualify. In 1992, for example, the U.S. tariff on lubricating oil which qualified under the FTA rules of origin was one-fifth of the tariff charged on lubricating oil which did not qualify.
2. In addition to a change in HS classification, some rules require that exports containing third country components incur at least fifty percent of their export value in Canada and/or the United States to qualify under the rules of origin.

There are, of course, exceptions to these general principles. Specific controls, tariffs or prohibitions are sometimes placed on the import or export of specific products by Canada and/or the United States.

• Textiles and Apparel

Textiles and apparel, for example, are subject to special rules of origin. Canada and the United States agreed in the FTA that most textile and apparel products would be subject to a two-step transformation requirement. This means that to qualify for FTA treatment, most textiles woven in Canada must be made from yarn spun in Canada. Similarly, most apparel made in Canada must use fabric woven in Canada in order to qualify under the rules of origin.

However, the Free Trade Agreement also allows a limited quota of apparel and non-woolen textiles to qualify for FTA treatment each year even though they do not meet the two-step transformation rule. Quotas exist for woolen apparel, non-woolen apparel and non-woolen textiles. For example, suits cut in Canada from third-country fabric and exported to the United States may receive the FTA tariff until the yearly quota is filled. Exports of apparel and non-

woolen textiles which exceed the yearly quota (which is called a Tariff Rate Quota or TRQ) will not qualify for FTA treatment and will be subject to a higher tariff.

Exporters wishing to benefit from the Tariff Rate Quotas must obtain a Certificate of Eligibility. These certificates are available from a number of Canadian customs brokers and the Special Trade Relations Bureau of the Department of External Affairs and International Trade. Tel: (613) 996-3711. Fax: (613) 996-9933.

Questions concerning the Rules of Origin as established by the FTA, may be directed to the U.S. Tariffs and Market Access Division of the Department of External Affairs and International Trade, or the Customs Assessment Divisions in the regional offices of Revenue Canada Customs. Exporter's Certificates of Origin are also available through these offices.

Appendix 3

1990 Survey of Sales Commissions*

Agents work on commission, for the most part. The level of the commission paid in an individual industry is a result of many things. For example, in emerging industries where there are few agents capable of handling a new product, the leverage is on the agents' side. In fields that have been saturated and where there are more than enough good agents, the leverage tilts to favour the manufacturer. No matter how you look at the balance of power, however, the one factor that ultimately rules the marketplace is whether or not the agent feels he or she can make a decent living with a given commission rate, and whether or not a manufacturer can run a cost effective sales program at a stated level.

In short, there are economic pushes and pulls that are constantly in play. In some cases, these pushes and pulls are less a factor of overall economics than territory-specific situations. For example, a manufacturer may want only one particular agent to represent him in a territory, and he is willing to add a point or two to the commission schedule to get him. In others, an agent may want a specific line so much that he is willing to shave a point or two to get it. That agent may see the desired line as getting him or her entry to a specific market for other lines where he will make up the give-away with a better margin.

Because the marketplace is dynamic, and conditions and situations will vary widely from territory to territory and from agent to agent, there will never be a "standard" commission rate. Nor should there be. Ours is not a planned economy.

Unfortunately, we are frequently asked by agents and manufacturers for figures they can quote to one another when negotiating a contract. They want, in effect, a standard. As we said, a standard just doesn't exist. However, armed with the information in this report, and with the economic figures of your territory and industry, it's not especially difficult to arrive at a rate that allows the agent and the manufacturer to make a profit.

The Goals of a Carefully Planned Agency Compensation Program

Notice that we didn't say Commission Program, we said Compensation Program. The reason for this is that while agents receive most of their income as sales commissions, many are also paid fees for special services. The typical manufacturers' agency today is as likely to perform some special marketing tasks for its principals as it is to do its main job of selling the products.

In some cases, the additional marketing tasks are reflected in increased commissions. In others, they are paid for as consulting fees. Because of this variability, it is even more difficult to say that there is a "standard" commission. One agent might report that his commission of nine percent for selling construction products is strictly for sales. For another, a 12 percent commission includes the nine percent commission and an added three percent for ongoing market research activity. It's for this reason that we show averages of the high and low commissions as well as an average of the averages.

How to Use the Commission Statistics in this Report

The figures are guidelines. As we have said, there are many variables which must be accounted for. It can be a mistake to take these figures literally. You have to consider all of the variables and then negotiate a commission figure that will work for both parties. Too often we have heard of agents who have said to prospective principals, "We will take nothing less than the average of the average figure in the MANA report." What they didn't know was that the manufacturer was prepared to offer a larger commission.

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The Payment of Commissions

It's all well and good to talk about commission figures in the abstract, but we would like to mention that it is the contention of MANA that commissions should be paid to agents upon shipment of the sold goods...not on the collection of payment from the customer. Although most manufacturers do observe this convention, we have heard more and more of manufacturers who are attempting to negotiate contracts with their agents in which the commission is paid when the manufacturer is paid.

Bluntly, this is totally unfair. The agent has spent his time and money in getting the order. And, remember, the agent is paid for sales. A manufacturer who sells through salaried salespeople pays his or her salespeople regularly, whether or not they have made any sales. An agent is only paid for the results of his or her sales effort. To withhold payment of commission until you are paid is simply and plainly unfair!

Agents Who Provide Warehousing and Other Services

We have expanded the scope of our traditional commission survey to include information on additional commissions paid for warehousing, invoicing and other services provided at the agency level. Thirteen percent of our respondents said that they did, indeed, receive additional commissions for other services. Fifty-eight percent said no, and 29 percent provided no response.

We next asked those who were receiving an additional commission to tell us how much and what they were being paid for. Note that this was a very general question; we have made no attempt to quantify the results. Our goal was simply to get a feel for the situation. Here are some of the write-in comments:

"We are paid \$350 per month by one of our principals to warehouse his products."

"Invoice and handling fees are negotiable."

"Cost plus 10 percent."

"Three to five percent for warehousing." (Note: five percent seems to be the most often reported figure for warehousing.)

"If we purchase and re-sell, 20 percent to 35 percent."

"Fifteen percent when annual sales goal exceeds two percent, three percent and five percent distributor commission on stock."

"Based on the number of pallets."

"Five percent for inventory and control."

"Twenty-five to 35 percent is distributor or stocking agent."

"One percent override on other agents' sales."

"Fourteen percent for food stores."

"One percent management fee."

Obviously, these responses have to be viewed in context of each agent's total operation. Our intention in adding this question was not to gather definitive data, but mainly to see just how many agents were receiving some form of additional commission for doing work other than selling. We got our answer, as stated earlier, 13 percent.

Agents Who Also Act as Distributors

Although few agents would consider themselves as being major players in the distribution field, some have taken on distribution chores over the years. Most who have done this have not done so with the notion of ultimately becoming a distributor. Rather, they have taken on some distribution functions mainly as expedients when situations demanded them. For example, one agent we talked with told us that a local supply of relatively small spare parts was necessary to keep his customers happy. The factory, it seems, was always slow in sending them directly to customers and, as a result, some switched to competitive products. To head off this problem quickly, this agent decided to act as a distributor for the principal only for spare parts. He still sells the primary equipment as an agent, but he buys and sells the spare parts. This agent has no intention whatsoever of expanding his distribution part of the business. The fact that he can store a few thousand dollars worth of spare parts in two file drawers of his office technically makes him a distributor. It hardly puts him in a league with the big distributors with thousands of square feet of warehouse space.

Now, how many agents act as distributors? Our respondents indicated that 25 percent do some distribution. Fifty-six percent said that they did not, and 19 percent did not respond to the question.

Looking at the Figures

It's tempting to look at individual figures for each industry and try to come to some conclusion about the state of that particular field. But, this is dangerous. As we said, there are many variables which go to make up commissions and generalizations can be very misleading.

More rates are higher this time than last. Most are not significantly higher, but they are, indeed, up. Why? You can look at this from any number of perspectives, and the chances are that whichever you pick, there would be some grain of truth. For example, as commissions go up, many say that it's a sign that manufacturers are realizing the value of the agent relative to the fixed overhead of a salaried salesperson, and they are attempting to solidify the relationship with higher commissions. There is one truth to this.

Or, you could look at the higher rates and surmise that as foreign competitors enter many of our traditional markets - most with factory-direct people - domestic manufacturers want to strengthen their bonds with their agents to insure a strong competitive effort. There is some truth to this, too.

Or you could simply say that inflation —as low as it is— is still present, and that the increases are necessary to maintain a status quo. This, too, contains some grains of truth.

What we are saying is that there are many factors which can contribute to the slight rise in average commissions. However, if you look at the figures, you'll see that some have dropped. Why is this? Because some industries are softening up? Probably. Because some industries have more than a few agents, and competition for the lines is forcing commissions down? It's probably a factor. And, there are other reasons. Such as not all the same people responded to this survey as past surveys.

The point is that the information in this report is not to be thought of as cast-in-stone. It's to be considered as **advisory**. It must be used in conjunction with your specific situation and with the conditions that prevail in your territory. There are reasons for differentials. And these reasons are the factors of a dynamic free market economy.

SURVEY OF SALES COMMISSIONS

PRODUCT MARKET	1987 Survey Results			1990 Survey Results		
	Average of			Average of		
	Highest %	Average %	Lowest %	Highest %	Average %	Lowest %
Abrasives	9.34	7.34	5.34	11.06	9.00	6.89
Advertising Products & Services	19.07	13.18	7.30	18.13	13.94	9.75
Aerospace & Aviation	11.04	8.63	6.22	10.59	8.04	5.48
Agriculture/Chemicals	7.83	6.12	4.41	12.36	8.91	5.45
Agriculture/Equipment & Machinery	11.31	8.62	5.93	11.84	8.88	5.91
Appliances	6.07	5.10	4.14	5.81	4.63	3.45
Architects & Interior Designers	18.06	12.66	7.26	17.81	11.88	5.94
Arts & Crafts	16.50	11.86	7.22	11.26	11.54	11.82
Automation/Robotics	14.26	11.14	8.02	11.57	9.14	6.70
Automotive/Aftermarket	9.48	7.24	5.00	8.55	6.77	4.98
Automotive/OEM	6.00	4.78	3.56	6.25	4.98	3.70
Builders/Contractors	—	—	—	11.83	8.59	5.35
Building Materials & Supplies	9.90	7.11	4.33	9.74	7.14	4.54
Castings & Forgings	6.16	5.29	4.43	5.99	5.19	4.38
Chemicals/Industrial	13.63	10.44	7.25	11.62	8.97	6.32
Chemicals/Maintenance	13.93	10.59	7.26	11.29	8.95	6.60
Coatings	13.98	10.15	6.32	12.26	9.39	6.52
Computer/Hardware, Software & Peripheral Equipment & Supplies	17.12	12.40	7.68	14.42	10.70	6.97
Construction Equipment & Machinery	10.02	8.09	6.17	11.55	8.96	6.36
Controls & Instrumentation	16.83	12.62	8.42	18.21	13.69	9.16
Electrical/Consumer	7.78	6.27	4.77	10.22	8.79	7.35
Electrical/Technical & Industrial	11.54	8.61	5.69	11.48	8.79	6.09
Electronic/Communications, Audio-Visual & Professional Products	12.14	9.26	6.39	10.77	8.60	6.42
Electronic/Components & Materials	9.56	7.47	5.39	8.52	6.90	5.27
Electronic/Consumer Products	9.41	7.27	5.13	8.79	7.33	5.86
Electronic/Technical Products	14.00	10.57	7.14	12.19	9.58	6.97
Energy	13.50	10.66	7.82	15.06	10.86	6.65
Engineering/Design	—	—	—	13.14	10.22	7.29
Fasteners	7.68	6.26	4.85	7.65	6.43	5.20
Floor & Wall Coverings	9.14	7.21	5.28	10.38	7.67	4.95
Food/Beverage Chemicals	11.25	8.25	5.25	12.83	9.00	5.17
Food/Beverage Processing	14.57	11.15	7.73	20.29	14.85	9.41
Food/Beverage Products & Services	8.33	6.96	5.60	10.72	8.06	5.39
Food/Beverage Service Equipment	12.30	9.06	5.88	11.97	8.65	5.32
Furniture & Furnishings	9.71	7.83	5.96	8.00	6.46	4.92
Gas, Oil & Petroleum Products & Services	13.15	9.81	6.47	15.90	11.73	7.56
Glass Industry/Raw Materials & Products	15.25	10.33	5.42	8.00	6.22	4.43
Government	9.43	7.42	5.42	10.75	7.69	4.63
Graphics/Printing	16.24	12.00	7.76	13.13	10.50	7.87
Hardware/Houseware	8.80	6.72	4.63	10.50	8.16	5.82
Health & Beauty Aids	18.25	11.88	5.50	7.50	6.15	4.80
Heating, Ventilation, Air Conditioning	14.88	10.38	5.87	14.46	9.88	5.30
Heavy-Duty Truck-Trailer Equipment	7.83	6.31	4.78	6.32	5.46	4.60
Home Improvement	7.86	6.05	4.24	8.17	6.37	4.57
Import-Export	13.07	8.79	4.50	18.47	14.56	10.64
Industrial Equipment & Machinery	15.06	11.04	7.01	14.57	10.60	6.62
Industrial Supplies	12.14	9.08	6.01	13.09	9.74	6.38
Injection Molding, Parts & Supplies	—	—	—	6.17	5.58	4.99
Lawn & Garden	8.21	6.42	4.63	8.02	6.33	4.63
Lighting	—	—	—	9.75	7.84	5.92
Lubricants	13.79	10.28	6.77	13.25	10.98	8.71

PRODUCT MARKET	1987 Survey Results			1990 Survey Results		
	Average of			Average of		
	Highest %	Average %	Lowest %	Highest %	Average %	Lowest %
Lumber Industry	6.68	4.96	3.23	8.46	6.83	5.19
Machining Equipment & Services	8.36	6.78	5.20	9.28	7.67	6.06
Maintenance Supplies	13.17	10.30	7.43	12.20	9.18	6.16
Marine	10.36	8.11	5.86	9.13	6.99	4.85
Material Handling	13.88	10.07	6.25	13.27	10.20	7.13
Medical Equipment, Supplies & Services	18.90	13.99	9.07	12.61	9.99	7.36
Metals/Processing, Assemblies & Products	7.37	6.15	4.93	7.86	6.39	4.92
Metals/Raw Materials	6.61	5.04	3.46	5.73	4.55	3.37
Mining	10.75	7.00	3.25	16.71	11.82	6.93
Mobile Homes, Accessories & Supplies	9.33	7.25	5.17	8.29	6.22	4.14
Office Supplies & Equipment	16.00	11.16	6.31	6.70	5.46	4.21
Optical Supplies	9.78	7.71	5.63	11.25	7.88	4.50
Packaging & Plastics	10.32	7.93	5.53	10.23	8.27	6.30
Paints & Varnishes	10.64	8.06	5.47	10.67	8.58	6.48
Paper Industry	10.36	7.85	5.33	13.75	10.14	6.53
Pharmaceutical	—	—	—	15.50	11.92	8.33
Photographic Supplies	13.25	10.13	7.00	12.50	9.38	6.25
Plastics	7.79	6.19	4.59	7.51	6.16	4.81
Plumbing	9.83	7.52	5.21	11.41	8.10	4.78
Pollution Products & Services	15.28	10.90	6.51	16.64	11.87	7.10
Powdered Metal/Parts & Components	6.00	5.37	4.74	7.20	6.15	5.10
Power Transmission	10.59	7.97	5.35	10.72	8.36	6.00
Process Equipment	17.12	12.05	6.98	16.42	11.73	7.04
Pumps	14.72	11.03	7.33	16.60	11.96	7.32
Recreational Vehicle/Aftermarket & OEM	8.55	6.43	4.31	7.00	5.40	3.79
Recreational Water Products/Services	8.25	6.45	4.64	10.11	6.72	3.33
Refractories	11.35	9.00	6.65	8.70	7.73	6.75
Refrigeration & Cold Storage	12.00	9.23	6.45	11.15	8.52	5.88
Retail Consumer Products & Services	10.50	7.41	4.31	11.15	8.21	5.27
Robotics	—	—	—	10.29	7.75	5.21
Rubber Products	8.10	6.49	4.88	7.29	6.12	4.94
Safety, Emergency & Security Products	14.06	10.81	7.56	11.58	9.44	7.30
Scientific Research Equipment & Supplies	21.83	15.60	9.36	14.25	11.50	8.74
Screw Machine Products	6.39	5.64	4.89	6.61	5.75	4.89
Special Services	—	—	—	13.75	10.63	7.50
Sporting Goods, Supplies & Accessories	11.32	8.07	4.82	10.42	7.67	4.91
Stampings	5.82	5.09	4.36	5.83	5.12	4.41
Steel Mills & Foundries	7.93	6.79	5.64	7.96	5.77	3.58
Telecommunication Equipment, Services & Supplies	16.50	11.04	5.58	11.00	10.00	9.00
Textile/Apparel Trade	22.50	15.50	8.50	8.00	6.86	5.71
Textile/Industrial	8.23	6.57	4.90	9.04	7.19	5.33
Toys, Gifts & Novelties	19.00	13.40	7.80	14.50	10.15	5.80
Transportation	14.50	12.00	10.66	6.67	8.50	10.33
Tubing	6.58	5.25	3.92	6.81	5.36	3.91
Utilities	15.00	11.39	7.78	14.47	10.10	5.73
Veterinary	13.60	10.15	6.70	9.00	7.13	5.25
Water Treatment Equipment, Products & Services	16.53	12.03	7.53	14.85	10.49	6.13
Welding	10.44	8.90	7.36	8.00	6.94	5.87
Wood/Woodworking	—	—	—	8.35	6.81	5.26

COMPENSATING MANUFACTURERS' AGENTS

Guidelines for Determining Agency Commissions, Fees and Incentive Programs

How Agents Earn Their Money

Traditionally, manufacturers' agents are paid a commission for what they sell. If they don't sell anything, they are not paid. In the past, this "low overhead" arrangement had been one of the major reasons for using independent agents, as opposed to the use of salaried factory salespeople. The economics of agency selling is still an important consideration, but as times have changed, so have the reasons for selling through independent sales agencies, and so have the compensation methods.

Typically, the manufacturer who turns to agencies to sell its products sees immediate market penetration as a major benefit. An agency in place with established customers can bring in business almost immediately. Also, manufacturers see longevity as an important factor. Manufacturers' agents are business partners who grow with their principals and maintain a steady presence in a territory. Compared with the fairly rapid turnover seen with salaried factory people, this stability is a critical factor today, as competition is intense and getting worse.

For these and many other reasons, manufacturers' agents are paid a commission on the products they sell. But today many agents do more than just sell products for the principals they represent. Many provide warehousing facilities. Some provide extensive engineering consulting services. Others offer installation and maintenance services for the products they sell. And, of course, there are many other things that agents do today that they haven't done in the past. The reasons for all this are many. Products are more complex. Markets are more diversified. Competition, both domestic and foreign, is intense. And agents today are bringing a lot more than just sales skills to the table. In the true sense of the word, agents are providing marketing services that were formerly the province of the manufacturer.

All in all, agents are doing more for their principals, they are fielding larger sales teams than ever before, and they are offering to do more than simply replace the traditional salaried salesperson - they are becoming "partners" of their principals. In doing all this, they are still legally independent contractors who are compensated by commissions on what they sell and fees for the other services they perform.

Developing an Agency Compensation Plan

It's tempting to look at industry averages and peg your commission rate in the middle. But these industry averages often mask a wide range of rates. Why a wide range? The answer lies in a number of things, all of which are determined by what the agent is expected to do, and how much work is involved in doing the job. Pioneering a product, for example, is more difficult and time consuming than taking on a commodity line where there is an established demand.

Considering the pioneering example, it's safe to assume that after a successful pioneering effort, it will be easier and less time-consuming for the agent to sell the line. This is generally true, but how do you build this into a compensation program? Initially, you might start out with a commission rate that is higher than average to compensate the agent for the heavy work needed early on. A formula could be developed by which the commission is reduced as the pioneering work is less demanding until the rate is comparable with others in the same field. Or, rather than play with the compensation percentage itself, you could start with a fair rate, but add on special incentives and fees for the agent who has to pioneer the product.

We use this example simply to show you that compensation systems can and should be developed to suit individual circumstances, not to conform to any industry "standards."

MANA's Survey of Sales Commissions indicates the highest and lowest figures and the average, computed as the arithmetic mean. Most of these figures represent normal statistical distributions...but some don't. Some vary quite widely. The point being that slavishly using these figures as gospel to establish a commission rate might do more harm than good to you and/or your agents. The important point to remember is that a commission rate should be determined empirically to insure that you and your agencies can make money - read profits.

The Elements of a Carefully Planned Compensation Plan

Note that we continue to use the word *compensation*, not the word *commission*. Commissions are part of compensation for most agencies. As we said, today agencies are doing a lot more than just "selling" their principals' products; they are providing very sophisticated field marketing assistance as well.

As a manufacturer, you are concerned with a lot of things. But the elements that are most important when considering a compensation program are these:

- **Current and future sales.** Any compensation program should be designed to assure positive cash flow and fair profits today as well as the development of sales in the future. For example, you may be paying a commission on products sold today, and special fees to the agent for pioneering your new products. Again, flexibility is critical when developing a compensation program.
- **Expanded market share.** Everyone knows that it's possible to "own" a market and lose money. Market share is a concept that must have sound economic underpinnings. How you compensate your agents and what they are expected to do to gain a greater share of the market for you is a key issue when developing a compensation program.
- **Product recognition.** In the past, it was solely the manufacturer's job to advertise and promote his or her products. Today, agents are closely intertwined in this promotional effort. In many fields, agents are expected to run local trade shows and seminars. They are often expected to train distributor salespeople. These are all activities that take an agent's time but don't translate immediately into commissionable sales. You may expect your factory salaried people to do all of these things, but you can't expect an agent to spend a lot of time he or she would ordinarily spend selling in doing these things without offering some compensation.

- **Special agency services.** As we have been pointing out throughout this report, sales agencies are doing a lot more than just getting orders for their principals. Here are a few of the services agencies perform today and which should be considered when planning a compensation strategy:

Warehousing. In some cases, commission rates are adjusted to compensate the agent for warehousing services. In others, specific fee schedules are established, in addition to commissions for products sold.

Engineering. When technical products are involved, some agents now provide an engineering and specification service. Some have been compensated for their service by increased commission rates, while others have charged for their services on an hourly consulting basis.

Market research. A good agent will provide you, without cost, the marketing intelligence he or she picks up during the course of normal day-to-day activities. But, if you expect special research activity, it is generally paid for by a negotiated fee above commissions.

Order processing. In most cases, orders for products sold by agents are placed directly with the manufacturer. However, now that agencies are expanding and using sophisticated computers for day-to-day operations, some are actually accepting customer orders and then placing them with their principals. And, this service often includes follow-up as well. This service is often paid for by an additional fee, although many agents who perform the service will negotiate a larger commission rate in lieu of the fee.

Special promotions. Today, agents are doing everything from running their own trade shows to making very sophisticated direct mailings. When your interests exceed what the agent already does, it's appropriate to discuss additional compensation.

Other areas. MANA member agents have reported that they have been compensated by their principals for these and other special services: collecting past due accounts, sales forecasting assistance, special customer service work, training, distributor inventory control, and other projects. It should be noted that in all of these cases, both fees and modified commission structures have been reported.

A Good Compensation Plan Motivates Agents

It may seem like an oversimplification to say that the more you pay an agent, the more attention your line will get. Within certain limits, this is true. But good agents do look at more than your commission rates. They look at what you're going to do to back them up. They want to know that you're going to promote their products and send them qualified leads. They want to know about your factory field support, your internal agent support, and your plans for growth and for meeting existing and emerging competition. Many an agent has turned down a line with a sky-high commission simply because he knew that he wasn't going to get the backing he needed to make the line go in the territory.

Sales contests seldom motivate a good manufacturer's agent. He or she would rather see you put the money you would spend on a contest in strengthening the support you provide to the field.

Practical Compensation Guidelines

In general, if you follow these guidelines, you will be on the right track in developing a fair compensation program.

- Decide specifically what the agent is expected to do in order to receive his basic commission compensation.
- Determine what services, in addition to those needed to determine the basic commission rate, will be needed.
- Determine whether the additional services will be paid for as increased commissions or as special fees.
- Set goals - not quotas. Quotas are appropriate for salaried salespeople, but not for independent manufacturers' agents. The goals you set can be tied to other compensation. For example, opening a long sought-after account might be rewarded by a pre-negotiated bonus.
- Make sure the agents understand your priorities. If you want immediate sales, and need your market information on a random basis, for example, make sure your agents understand where you stand.

- Decide how you are going to evaluate agency performance, and make sure that your agencies know how you will be evaluating them.
- If appropriate, develop an incentive system which rewards your agents for their achievement beyond the goals you have set. Most often these rewards take the form of increased commission rates for sales beyond specified levels.
- Keep your agents informed regularly of their performance, relative to the goals you and they have agreed on.
- Be prepared to change your programs as market conditions change, and make sure you play by the rules you and your agents have agreed upon.

Planning is the Critical Variable

Too often, agency compensation programs are a hit-or-miss affair, tied only to some mythical average commission rate. Don't fall into this trap. Remember, your agents are all independent contractors, and each faces a different set of circumstances in his or her territory. This means that you can create your programs to suit specific circumstances.

Your goal is to make money. It's the same goal your agents have. You want to make sure that they can profit from their association with you. And the only way to do that is to plan with them. Get their input. Know the conditions each faces in the different territories. Know what your competitors are doing in terms of agency compensation. And, if you're starting from scratch and are looking for agencies, make sure that your total compensation program - commissions and fees - captures their attention.

Agency compensation is a major part of the ties that bind manufacturers and agents together for the long pull. Offer too little and you won't attract the kinds of agents you want. Offer too much and you may find yourself in some financial difficulty. In other words, the operative word for all concerned is "fair." Be fair to yourself and everyone else involved. That's the sum and substance of a good agency compensation program.

Appendix 4

Guideline Information for Preparation of Manufacturers' or Suppliers' Sales Agency Agreement*

1. The accompanying provisions are intended for use as guideline information in preparing agreements between sales agencies and their manufacturers or suppliers and are furnished solely as a courtesy to the members of the MANUFACTURERS' AGENTS NATIONAL ASSOCIATION and manufacturers, suppliers or sales agencies. To set forth the understandings of the parties, provisions should be compared, selected, rejected, changed, modified, amended and, where appropriate, additions and deletions should be made.
2. Reference material on most provision subject matter is available through MANA BULLETINS. Current articles of mutual concern to manufacturers, suppliers and their sales agencies are regularly published in AGENCY SALES MAGAZINE. They include analysis, data base statistics, alternatives, customs, trends, suggestions, admonitions, surveys, research, and pertinent developments in the SALES AGENCY FIELD.
3. Each provision requires attention. For example, MANA uses the words "AGENT" and "REPRESENTATIVE" as if they are synonymous. Another example, the EXCLUSIVE TERRITORY provision contemplates that manufacturer or supplier retains title, dominion and risk of loss with respect to the products. Because of the constantly changing interpretation of law (such as anti-trust restrictions and territorial rights), all provisions should be reviewed by legal counsel (in light of the status of federal, state and local law) at the time the parties enter their agreement.
4. The specimen provisions following are designed for an INDEPENDENT CONTRACTOR RELATIONSHIP. If the parties desire an employer-employee relationship, the agreement should be modified to so state. Irrespective of the provisions of the agreement, however, if the parties conduct themselves in an employer-employee relationship, the law will probably look to substance rather than form and impose on the parties rights and responsibilities of an employer-employee relationship.
5. In every case, before using a sample form of agreement, or specimen provisions, it is RECOMMENDED THAT LEGAL COUNSEL BE CONSULTED. There are established customs and practices applicable to certain types of industries, products and marketing programs. Federal, state and local laws constantly change. Both law and customs vary by state, territory, industry, products, etc.

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DO NOT USE WITHOUT
CONSULTING YOUR ATTORNEY.
LAWS AND CUSTOMS VARY.

TO BE USED BY MANUFACTURER
AND SINGLE-PERSON AGENCY
SPECIMEN ONLY

This publication is designed to provide sample information in regard to the subject matter covered. It is furnished with the understanding that the publisher, MANA, is not engaged in rendering legal, accounting, or other professional service. The services of a competent professional legal and accounting person should be sought.

SALES REPRESENTATIVE AGREEMENT

THIS AGREEMENT is made on the date shown below by and between _____

_____ ("PRINCIPAL") and _____ ("REPRESENTATIVE").

1. Exclusive Representative. Principal grants to Representative the exclusive right (to the exclusion of Principal and all claiming under or through Principal), to act as Principal's SALES AGENCY, to solicit orders for the Principal's goods and services ("Product"), within the following geographical area: _____

_____ ("Territory").

2. Sales Policies. The prices, charges and terms of sale of the products ("Sales Policies") shall be established by the Principal. The Sales Policies shall be those currently in effect and established from time to time by the Principal in its price books, bulletins, and other authorized releases. Written notice of each Sales Policy change shall be given by Principal to Representative at least thirty (30) days in advance of such change.

3. Orders and Collections. Orders for products solicited by Representative shall be forwarded to and subject to acceptance by Principal. The Principal agrees to refer all inquiries to the Representative and to promptly furnish the Representative with copies of all correspondence and documentation between the Company and Customer. All invoices in connection with orders solicited by Representative shall be rendered by Principal, direct to the customer, and full responsibility for all products, services, collections and bad debts rests with Principal.

4. Relationship Created. Representative is not an employee of Principal for any purpose whatsoever, but is an independent contractor. Principal is interested only in the results obtained by Representative, who shall have sole control of the manner and means of performing under this Agreement. Principal shall not have the right to require Representative to do anything which would jeopardize the relationship of independent contractor between Principal and Representative. All expenses and disbursements incurred by Representative in connection with this Agreement shall be borne wholly and completely by Representative. Representative does not have, nor shall Representative hold Representative out as having any right, power or authority to create any contract or obligation, either express or implied, on behalf of, in the name of, or binding upon Principal, unless Principal shall consent thereto in writing. Designation by Representative as "Sales Agent" or "Sales Agency" shall not expand the limited authority to conduct "Sales" activities granted under this Agreement. Representative shall have the right to appoint and shall be solely responsible for Representative's own salespersons, employees, agents and representatives, who shall be at Representative's own risk, expense and supervision and shall not have any claim against Principal for compensation or reimbursement. Unless expressly permitted in writing, Representative shall not represent products which directly compete with the Products of Principal during the existence of this contract relationship.

5. Representative's Commissions. The commissions payable by Principal to Representative on orders solicited within or delivered to the Territory shall be _____ ("Commission Rate"). Commissions shall be deemed earned by Representative upon acceptance or delivery of the order or any part thereof by Principal, whichever occurs first. Commissions earned by Representative shall be computed on the net amount of the invoice rendered for each order or part of an order, exclusive of freight and transportation costs (including insurance), normal and recurring bona fide trade discounts and any applicable sales or similar taxes. All commissions earned by Representative shall be due and payable to Representative on or before the twentieth (20th) date of the month immediately following the month during which the invoice applicable to an order is sent by Principal. Regardless of the date, each month when customers are mailed an invoice, immediately after shipment leaves, a copy of that customer's invoice will be mailed to the Representative.

NOTE: As a principal, your first concern should be in building the goodwill of your agents. Sending an invoice the day of shipment to the agent accomplishes THREE THINGS:

- a. At the end of each month, the agent can calculate exactly the amount of commission to be received BEFORE the 20th (And in that regard keep on top of your accounting department to be absolutely sure commission cheques are mailed in ample time to arrive before their due date.) There is NOTHING that will smother agent goodwill more or faster than not receiving his due pay right on PAY DAY. **EXTREMELY IMPORTANT.**
- b. The agent will know how well (or poorly) you are servicing his accounts. The second worst thing from an agent's point of view is not giving his accounts the same preference as domestic accounts on back orders or delays. He wants a reliable principal in every regard or he will loaf as far as your product sales are concerned.
- c. He can immediately inform his good accounts that the shipment has left your plant. Often this results in a further immediate order, depending on the account's stock or production run. Also very important: The agent, having received immediate copies of each invoice, will know which of his customers have just received a shipment. Depending on the type of article you make, if one account of the agent is extremely low on stock, the agent can go to the account with plenty of stock and borrow an emergency supply.

OFTEN THE TREATMENT AN AGENT GETS FROM THE PRINCIPAL IS MORE FROM A LEGAL POINT OF VIEW, BUT UNLESS THE PRINCIPAL PROVES HE IS 100 PER CENT BEHIND HIS AGENT, RESULTS WILL SUFFER.

6. Term. This Agreement shall continue in full force and effect until the date ("Termination Date") set forth in a notice given by one party to the other indicating such party's election to terminate this Agreement, which Termination Date shall be at least one-hundred twenty (120) days after the date notice of such election is given. Alternatively, this Agreement may be terminated at any time by mutual written agreement between both parties hereto. If this Agreement shall terminate for any reason whatsoever, Representative shall be entitled to receive Representative's full commissions determined in accordance with provisions of Paragraph Five with respect to orders solicited prior to the effective date of such termination, regardless of when such orders are accepted by Principal (provided Representative can demonstrate such orders were solicited prior to the effective date of such termination) and regardless of when such shipments are made or invoices rendered.

APPENDIX 4

7. Hold Harmless. Principal shall save Representative harmless from and against and indemnify Representative for all liability, loss, costs, expenses or damages however caused by reason of any Products (whether or not defective) or any act or omission of Principal, including but not limited to any injury (whether to body, property or personal or business character or reputation) sustained by any person or to any person or to property, and for infringement of any patent rights or other rights of third parties, and for any violation of municipal, state or federal laws or regulations governing the Products or their sale, which may result from the sale or distribution of the Products by the Representative hereunder. This Agreement shall be subject to and shall be enforced and construed pursuant to the laws of the State ("Representative's State") where the Representative's principal office is located, as set forth below. Principal hereby appoints as its Agent for service for process in connection with any action brought by Representative against Principal hereunder the Secretary of State of Representative's state of residence at the time such action is brought. In the event of litigation, the prevailing party may recover interest, court costs and reasonable attorney's fees. If any part of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8. Entire Agreement. This Agreement constitutes the sole and entire Agreement between Principal and Representative, and supersedes all prior and contemporaneous statements, promises, understandings or agreements.

9. Notices. Any notice, demand or request required or permitted to be given hereunder shall be in writing and shall be deemed effective twenty-four (24) hours after having been deposited in the United States mail, postage pre-paid, registered or certified, and addressed to the addressee at his or its main office, as set forth below. Any party may change his or her address for purposes of this Agreement by written notice given in accordance herewith.

(PRINCIPAL): _____

By: _____

Date: _____

Title: _____

Principal's address: _____

(REPRESENTATIVE): _____

By: _____

Date: _____

Title: _____

Representative's address: _____

Appendix 5

Directory of United States Customs Brokers

What Is A Customs Broker?

U.S. Customs brokers are U.S. citizens, residents or private U.S. firms licensed under U.S. law to act as agents for importers in the transaction of their Customs business. A U.S. Customs broker should not be confused with a "broker," "agent" or "manufacturer's representative" or other persons retained by the trading community for promoting its marketing activities. (Canadian trade missions at the Embassy in Washington, D.C. and at Consulates in the U.S. can help you find a manufacturer's representative. Canadian trade missions are listed in this directory.)

What Does A Customs Broker Do?

U.S. Customs brokers can provide Canadian exporters with a range of services related to the entry and clearance of goods into the United States. They specialize in Customs documentation requirements and are familiar with all laws, regulations and procedures affecting the importation of goods including, for example, country of origin marking; labelling of food, drugs, cosmetics or alcoholic products; consumer product safety standards; or environmental protection.

They are also up to date on Customs requirements relating to the Canada-U.S. Free Trade Agreement (FTA), changes in duty rates, import quotas and anti-dumping or countervailing duty measures. Two of the key concerns under the FTA (rules of origin and temporary entry for business visitors) are covered in Appendix 2.

In addition, U.S. Customs brokers can provide advice regarding the proper tariff classification of goods, applicable tariff rates and value for duty. They will assist in obtaining binding tariff classification or other rulings for products which will eventually be exported to the U.S. and in making claims or filing appeals.

Most U.S. Customs brokers have offices at U.S. Customs ports of entry. The carrier you have contracted to transport your goods will deliver documents relating to the transaction to the Customs

broker's office at the port of entry. The customs broker then reviews and files all necessary documents with U.S. Customs and pays, on the client's behalf, any estimated duties and other applicable Customs charges in order to obtain proper release of the goods.

To ensure that duties will be paid, U.S. Customs brokers must maintain a sufficient bonding level with U.S. Customs to allow for the clearance of the goods they process. Brokers will normally be able to secure immediate release of the goods, thereby avoiding any demurrage or storage charges.

Is It Necessary To Hire a U.S. Customs Broker?

Given the complexity of U.S. Customs regulations and the fact that the onus for the clearance of goods and payment of tariff duties usually falls to the Canadian exporter, it is recommended that a relationship with a U.S. Customs broker be established before goods are shipped. It is not mandatory to retain the services of a Customs broker. However, it will facilitate entry of your product into the U.S. market.

Entry fees charges by the brokers will generally be more than offset by savings in your time and energy, and the avoidance of unnecessary delays in obtaining Customs clearance for your products.

U.S. Customs officers are not authorized to act as agents for importers or forwarders. They may, nevertheless, give advice and assistance to inexperienced exporters. Only the owner of the goods, the U.S. purchaser (or his authorized regular employees), or a licensed Customs broker, may enter goods into the United States.

How Would I Find One?

You could call a U.S. customs broker listed in this directory, or ask other exporters which Customs broker they would recommend. For further references, contact your industry association. Other sources of information are:

APPENDIX 5

The Canadian International Freight Forwarders Association Incorporated
P.O. Box 929
Streetsville, Ontario
L5M 2C5
Tel.: (416) 567-4633
Fax: (416) 863-0133

The National Customs Brokers & Forwarders Association of America, Inc. (NCBFAA)
Suite 1153
One World Trade Center
New York, N.Y. 10048
Tel.: (212) 432-0050
Fax: (212) 432-5709

Note: *The Directory of Customs Brokers and Freight Forwarders in the United States* can be purchased from the NCBFAA for US \$22.00 per copy.

The following pages list each border crossing between the United States and Canada, organized from West to East by the U.S. point of entry. For each U.S. entry point, the corresponding Canadian exit point is listed, followed by the U.S. Customs Brokers known to serve that crossing.

The main address, telephone and/or numbers of the listed U.S. brokers are arranged alphabetically beginning on page 47.

Washington

Anacortes
Norman G. Jensen, Inc.

Port Angeles
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Point Roberts - Boundary Bay, British Columbia
Border Brokerage Company, Inc.
Norman G. Jensen, Inc.

Blaine - Douglas, British Columbia
Border Brokerage Company, Inc.
C.F. Liebert, Inc.
Carson Customs Brokers, Inc.
Fritz Co., Ltd.
Jack R. Huls
McClary Swift and Co., Inc.
Milne and Craighead Customs Brokers, Inc.
Norman G. Jensen, Inc.
PBB USA Inc.

Lynden - Aldergrove, British Columbia
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Sumas - Huntingdon, British Columbia
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Oroville - Osoyoos, British Columbia
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Ferry - Midway, British Columbia
Norman G. Jensen, Inc.

Danville - Carson/Grand Forks, British Columbia
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Laurier - Cascade, British Columbia
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Frontier - Paterson, British Columbia
Norman G. Jensen, Inc.

Northport
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Metaline Falls - Nelway, British Columbia
A.J. Humphreys Div., Border Brokerage Co., Inc.
Norman G. Jensen, Inc.

Idaho

Porthill - Rykerts, British Columbia
H.E. Ladwig Div., Border Brokerage Company, Inc.
Norman G. Jensen, Inc.

Eastport - Kingsdale, British Columbia
Americana Brokers, Inc.
H.E. Ladwig Div., Border Brokerage Company, Inc.
Norman G. Jensen, Inc.

Montana

Roosville - Roosville, British Columbia
H.E. Ladwig Div., Border Brokerage Company, Inc.
Norman G. Jensen, Inc.
Ralph V. Sluys, Custom Broker

Peigan - Carway, Alberta
Ralph V. Sluys, Custom Broker

Del Bonita - Del Bonita, Alberta
Norman G. Jensen, Inc.
Ralph V. Sluys, Custom Broker

Sweetgrass - Coutts, Alberta
Americana Brokers, Inc.
Border Brokerage Company, Inc.
Milne and Craighead
Norman G. Jensen, Inc.
W.Y. Moberly, Inc.

Wild Horse - Wild Horse, Alberta
Norman G. Jensen, Inc.

Turner - Climax, Saskatchewan
Norman G. Jensen, Inc.

Morgan - Monchy, Saskatchewan
Holje Customs Brokers, Inc.
Norman G. Jensen, Inc.

Opheim - West Poplar, Saskatchewan
Holje Customs Brokers, Inc.
Norman G. Jensen, Inc.

Scobey - Coronach, Saskatchewan
Holje Customs Brokers, Inc.

Raymond - Regway, Saskatchewan
Holje Customs Brokers, Inc.

North Dakota

Fortuna - Oungle, Saskatchewan
Norman G. Jensen, Inc.

Noonan - Estevan, Saskatchewan
Norman G. Jensen, Inc.

Portal - North Portal, Saskatchewan
H.A. and J.L. Wood, Inc.
Milne and Craighead Customs Brokers (USA), Inc.
Norman G. Jensen, Inc.
Union Brokerage

Northgate - Northgate, Saskatchewan
Norman G. Jensen, Inc.

Antler - Lyleton, Manitoba
Norman G. Jensen, Inc.

Westhope - Coulter, Manitoba
Norman G. Jensen, Inc.

Carbury - Goodlands, Manitoba
Norman G. Jensen, Inc.

Dunseith - Boissevain, Manitoba
H.A. and J.L. Wood, Inc.
Norman G. Jensen, Inc.

St. John - Lena, Manitoba
Norman G. Jensen, Inc.

Hansboro - Cartwright, Manitoba
Norman G. Jensen, Inc.

Sarles - Crystal City, Manitoba
Norman G. Jensen, Inc.

Hannah - Snowflake, Manitoba
Norman G. Jensen, Inc.

Walhalla - Winkler, Manitoba
Norman G. Jensen, Inc.

Neché - Grelna, Manitoba
Norman G. Jensen, Inc.

Pembina - West Emerson, Manitoba
Border Brokerage Company, Inc.
H.A. and J.L. Wood, Inc.
Norman G. Jensen, Inc.
Union Brokerage

Minnesota

Noyes - Emerson, Manitoba
H.A. and J.L. Wood, Inc.
Norman G. Jensen, Inc.
Union Brokerage

Lancaster - Tolstoi, Manitoba
Norman G. Jensen, Inc.

Pine Creek - Piney, Manitoba
Norman G. Jensen, Inc.

Roseau - South Junction, Manitoba
H.A. and J.L. Wood, Inc.
Norman G. Jensen, Inc.

Warroad - Middleboro, Manitoba
H.A. and J.L. Wood, Inc.
Norman G. Jensen, Inc.

Baudette - Rainy River, Ontario
Norman G. Jensen, Inc.

Ranier/International Falls - Fort Frances, Ontario
F.E. Macartney Division, H.A. and J.L. Wood, Inc.
Norman G. Jensen, Inc.
Union Brokerage

Grand Portage - Pigeon River, Ontario
Norman G. Jensen, Inc.

Michigan

Sault Ste. Marie - Sault Ste. Marie, Ontario
A.N. Deringer, Inc.
F.W. Myers & Co., Inc.
C.J. Tower, Inc.
F.X. Coughlin Company
John V. Carr & Son, Inc.

Detroit - Windsor, Ontario
A.N. Deringer, Inc.
Buffalo Customhouse Brokerage, Inc.
C.J. Tower, Inc.
Daniel F. Young, Inc.
D.J. Whelan and Company
E.C. McAfee Company
F.W. Myers & Co., Inc.

Harper, Robinson & Company
Intertrans
John V. Carr & Son, Inc.
PBB USA Inc.
Randy International Ltd.
Trans-Border Customs Services, Inc.
V.G. Nahrgang Company
Wilson Freight Services, Inc.

Algonac - Walpole Island, Ontario
A.N. Deringer, Inc.

Marine City - Sombra, Ontario
A.N. Deringer, Inc.

Port Huron - Point Edward/Sarnia, Ontario
A.N. Deringer, Inc.
Buffalo Customhouse Brokerage, Inc.
Border Brokerage Company, Inc.
C.J. Tower, Inc.
E.C. McAfee Company
F.W. Myers and Co., Inc.
F.X. Coughlin Company
John V. Carr & Son, Inc.
PBB USA, Inc.
Trans-Border Customs Services, Inc.
V.G. Nahrgang Company
Wilson Freight Services, Inc.

New York

Fort Erie - Fort Erie, Ontario
Trans-Border Customs Services, Inc.

Buffalo/Niagara Falls - Niagara Falls, Ontario
Ameri-Can Customhouse Brokerage
A.N. Deringer, Inc.
Buffalo Customhouse Brokerage, Inc.
C.J. Tower, Inc.
Emery Customs Brokers, CF Co.
Examer Customs Brokers
Great Lakes Custom House Brokerage, Inc.
John V. Carr & Son, Inc.
F.W. Myers and Company, Inc.
PBB USA Inc.
Trans-American Custom House Brokers, Inc.
Trans-Border Customs Services, Inc.
Wilson Freight Services Inc.

Lewiston - Queenston, Ontario
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA Inc.
Trans-Border Customs Services, Inc.
Wilson Freight Services Inc.

APPENDIX 5

Cape Vincent
A.N. Deringer, Inc.

Clayton
A.N. Deringer, Inc.

Alexandria Bay
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA, Inc.
Trans-Border Customs Services, Inc.

Ogdensburg - Prescott, Ontario
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA, Inc.
Trans-Border Customs Services, Inc.

Massena - Cornwall, Ontario
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

Roosevelt - Cornwall, Ontario
F.W. Myers and Company, Inc.

Fort Covington - Dundee, Quebec
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

Trout River - Trout River, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

Chateauguay - Herdman, Quebec
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

Mooers - Hemmingford, Quebec
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.
Trans-Border Customs Services, Inc.

Champlain - Route 15, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA Inc.
Trans-Border Customs Services, Inc.

Rouses Point - Lacolle, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA Inc.
Trans-Border Customs Services, Inc.

Vermont

Alburg - Noyan/Clarencetown, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.H. Fenderson Div., PBB USA Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

Highgate Springs - Philipsburg, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.H. Fenderson Div., PBB USA Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

Morses Line - Morses Line, Quebec
A.N. Deringer, Inc.

West Berkshire - Frelighsburg, Quebec
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

St. Albans - Cantic, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
Trans-Border Customs Services, Inc.

Richford - Abercorn, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
Trans-Border Customs Services, Inc.

East Richford - Glen Sutton, Quebec
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

North Troy - Highwater, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA Inc.
Trans-Border Customs Services, Inc.

Beebe Plain - Beebe, Quebec
A.N. Deringer, Inc.

Derby Line - Route 143, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.
PBB USA Inc.
Trans-Border Customs Services, Inc.

Norton - Stanhope, Quebec
A.N. Deringer, Inc.
C.J. Tower, Inc.
F.H. Fenderson Div., PBB USA Inc.
F.W. Myers and Company, Inc.
Trans-Border Customs Services, Inc.

Canaan - Hereford, Quebec
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.
Trans-Border Customs Services, Inc.

Beecher Falls - Connecticut Lake, Quebec
A.N. Deringer, Inc.
John V. Carr & Son, Inc.
F.W. Myers and Company, Inc.
Norman G. Jensen, Inc.
Trans-Border Customs Services, Inc.

New Hampshire

Portsmouth
John V. Carr & Son, Inc.

Pittsburg
A.N. Deringer, Inc.

Maine

Coburn Gore - Woburn, Quebec
A.N. Deringer, Inc.

Jackman - Armstrong, Quebec
A.N. Deringer, Inc.
F.H. Fenderson Div., PBB USA Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.

Fort Kent - Clair, New Brunswick
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Madawaska - Edmunston, New Brunswick
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Van Buren - St-Leonard, New Brunswick
A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Limestone - Gillespie Portage, New Brunswick

A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Fort Fairfield - Andover, New Brunswick

A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Bridgewater - Centreville, New Brunswick

A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Houlton - Woodstock Road, New Brunswick

A.N. Deringer, Inc.
F.H. Fenderson Div., PBB USA Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.

Orient - Fosterville

A.N. Deringer, Inc.

Vanceboro - Ste-Croix, New Brunswick

A.N. Deringer, Inc.
F.W. Myers and Company, Inc.

Calais - St. Stephen, New Brunswick

A.N. Deringer, Inc.
F.H. Fenderson, Div. PBB USA Inc.
F.W. Myers and Company, Inc.
John V. Carr & Son, Inc.

Lubec

A.N. Deringer, Inc.

Eastport

A.N. Deringer, Inc.

Border Brokerage Companies**A. J. Humphreys Div., Border Brokerage Company, Inc.**

132 Cherry Street,
Sumas, Washington 98295
Tel.: (206) 988-2277
Fax: (206) 988-0755

Ameri-Can Customhouse Brokerage

Peace Bridge Plaza
Buffalo, New York 14213
Tel.: (716) 884-1056
Fax: (716) 884-3823

Americana Brokers, Inc.

P.O. Box 147,
Sweetgrass, Montana 59484
Tel.: (406) 335-2030
Fax: (406) 335-2875

A.N. Deringer, Inc.

64-66 No. Main St., P.O. Box 1309
St. Albans, Vermont 05478-1012
Tel.: (802) 524-5975
Fax: (802) 524-5970

Direct Lines from Ontario and Quebec:

Detroit, Michigan
Tel.: (800) 345-2467
Buffalo, New York
Tel.: (800) 283-6336
Alexandria Bay, New York
Tel.: (800) 257-5599

Border Brokerage Company, Inc.

#12, Pacific Highway, P.O. Box B
Blaine, Washington 98230
Tel.: (206) 332-5222
Fax: (206) 332-4772

In Canada:

Tel.: (604) 536-7636
Fax: (604) 538-6746

Buffalo Customhouse Brokerage, Inc.

Peace Bridge Plaza Warehouse
Suite 313
Buffalo, New York 14213
Tel.: (716) 884-1554
Fax: (716) 884-5703

In Detroit/Port Huron:

Tel.: (313) 962-5374

Carson Customs Brokers, Inc.

1122 Fir Street C-2
Blaine, Washington 98230
Tel.: (206) 332-7133
Fax: (604) 538-2721

C.F. Liebert, Inc.

8 - 12th Street, Drawer L
Blaine, Washington 98230
Tel: (206) 332-5951
Fax: (206) 332-8285

In British Columbia:

Tel: (406) 531-8053

C.J. Tower, Inc.

128 Dearborn Street
Buffalo, New York 14207
Tel.: (716) 874-1300
Fax: (716) 874-4396

Canadian Office:

701 Evans Avenue
Etobicoke, Ontario, M9C 1A3
Tel.: (416) 364-6301

Daniel F. Young, Inc.

2855 Coolidge Road, Suite 207
Troy, Michigan 48084
Tel.: (313) 643-6200
Fax: (313) 643-4701

D.J. Whelan & Company

Mailing Address:
P.O. Box 32-803
Fort Myers, Michigan 48232
Street Address:
100 Summit Street
Fort Myers, Michigan 48209
Tel.: (313) 843-0250
Fax: (313) 843-0060

E.C. McAfee Company

1846 Penobscot Building
Detroit, Michigan 48226
Tel.: (313) 963-7225
Fax: (313) 963-3948

Emery Customs Brokers

Peace Bridge Plaza, Suite 215
Buffalo, New York 14213
Tel.: (716) 886-4833
Fax: (716) 883-0457

Examer Customs Brokers

Peace Bridge Plaza, Suite M3
Buffalo, New York 14213
Tel.: (716) 884-8400
Fax: (716) 881-6938

In Canada:

(800) 572-8739

APPENDIX 5

F.E. Macartney Div., H.A. and J.L. Wood, Inc.
P.O. Box 312
International Falls, Minnesota 56649
Tel.: (218) 286-5231
Fax: (218) 286-3145

F.H. Fenderson Div., PBB USA, Inc.
See PBB USA, Inc.

F.W. Myers and Company, Inc.
Myers Building
Rouses Point, New York 12979
Tel.: (518) 297-2222
Fax: (518) 297-6650

Direct Lines in Canada:
Champlain, New York
Tel.: (514) 878-2466
Rouses Point, New York
Tel.: (514) 861-3702
Highgate Springs, Vermont
Tel.: (514) 861-7030
Port Huron, Michigan
Tel.: (519) 336-1412
Buffalo, New York
Tel.: (416) 864-9783

F.X. Coughlin
27050 Wick Road
Taylor, Michigan 48180
Tel.: (313) 946-9510
Fax: (313) 946-6945

Great Lakes Custom House Brokerage, Inc.
1900 Niagara Street
Buffalo, New York 14213
Tel.: (716) 874-8870
Fax: (716) 874-8872

Harper, Robinson, & Company
6930 Metroplex Drive, P.O. Box 42063
Romulus, Michigan 48174
Tel.: (313) 729-5840
Fax: (313) 729-0028

H.A. & J.L. Wood, Inc.
Box 369, 123 - 3rd Street
Pembina, North Dakota 58271
Tel.: (701) 825-6241
Fax: (701) 825-6226

In Winnipeg:
Tel.: (204) 284-4887

H.E. Ladwig Div., Border Brokerage Company, Inc.
P.O. Box 57
Eastport, Idaho 83836
Tel.: (208) 267-2072
Fax: (208) 267-2335

Holje Customs Brokers, Inc.
P.O. Box 125
Plentywood, Montana 59254
Tel.: (406) 895-2684
Fax: (406) 895-2614

Intertrans
9770 Harrison Road
Romulus, Michigan 48174
Tel.: (313) 946-5210
Fax: (313) 946-4017

Jack R. Huls
P.O. Box 1599
Blaine, Washington 98230
Tel.: (206) 332-4474
Fax: (206) 332-5752

In Canada:
Tel.: (604) 538-1469

John V. Carr, Inc.
1600 W. Lafayette, P.O. Box 33479
Detroit, Michigan 48232-5479
Tel.: (313) 965-1540
Fax: (313) 965-6138

Canadian Office:
10A Bram Court, Unit #1
Brampton, Ontario
L6W 3R6
Tel.: (416) 454-9253
Fax: (416) 454-9266

McClary, Swift and Company, Inc.
P.O. Box 370
Blaine, Washington 98230
Tel.: (206) 332-4552
Fax: (206) 332-8717

Milne and Craighead Customs Brokers (USA), Inc.
P.O. Box 2
Sweetgrass, Montana 59484
Tel.: (406) 335-2300
Fax: (406) 335-2295

In Blaine, Washington:
Tel.: (206) 332-4792
Fax: (206) 332-4402

Norman G. Jensen, Inc. (USA)
P.O. Box 1450, No. 6 - 12th Street
Pacific Highway Crossing
Blaine, Washington 98230
Tel.: (206) 332-8671
Fax: (206) 332-7330

In Vancouver:
Tel.: (604) 531-2151
Fax: (604) 531-5433

PBB USA, Inc.
434 Delaware Avenue
Buffalo, New York 14202-1592
Tel.: (716) 886-0360
Fax: (716) 886-0454

In Canada:
Tel.: (416) 364-4743 (Toronto)
Fax: (416) 384-9711 (Niagara region)

Randy International, Inc.
11701 Metro Airport Center Drive
Suite 110
Romulus, Michigan 48174
Tel.: (313) 942-2332
Fax: (313) 942-7776

Trans American Custom House Brokers, Inc.
2775 Broadway
Buffalo, New York 14213
Tel.: (716) 896-7800
Fax: (716) 896-7985

Trans-Border Customs Services, Inc.
One Trans-Border Drive, P.O. Box 800
Champlain, New York 12919
Tel.: (518) 298-3346
Fax: (518) 298-3346

In Canada:
Tel.: (514) 298-3346 (Montreal)
Tel.: (416) 596-0868 (Toronto)

Union Brokerage
P.O. Box 158,
Portal, North Dakota 58772
Tel.: (701) 926-4141
Fax: (701) 926-3551

V.G. Nahrgang Company
155 West Congress Street
Detroit, Michigan 48226
Tel.: (313) 962-4681
Fax: (313) 962-5543

Wilson Freight Services, Inc.
560 Delaware Avenue
Buffalo, New York 14202
Tel.: (716) 883-3023
Fax: (716) 883-3146

W.Y. Moberley, Inc.
P.O. Box 164
Sweetgrass, Montana 59484
Tel.: (406) 335-2211
Fax: (406) 335-2630

Appendix 6

Canadian Trade Representatives in the U.S.

Washington

Canadian Embassy
501 Pennsylvania Avenue N.W.
Washington, D.C. 20001
Tel.: (202) 682-1740
Telex: 0089664 (DOMCAN A WSH)
Fax: (202) 682-7726

Territory:
Washington, D.C. area for U.S. government civil and defence agencies, Delaware, Maryland, Eastern Pennsylvania, Virginia

Consulates

Atlanta

Canadian Consulate General
400 South Tower
One CNN Center
Atlanta, Georgia 30303-2705
Tel.: (404) 577-6810
Telex: 054-3197 (DOMCAN ATL)
Fax: (404) 524-5046

Territory:
Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee; (also Puerto Rico, U.S. Virgin Islands)

Boston

Canadian Consulate General
Three Copley Place, Suite 400
Boston, Massachusetts 02116
Tel.: (617) 262-3760
Telex: 94-0625 (DOMCAN BSN)
Fax: (617) 262-3415

Territory:
Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; (also Saint-Pierre-et-Miquelon)

Buffalo

Canadian Consulate
One Marine Midland Center, Suite 3150
Buffalo, New York 14203-2884
Tel.: (716) 852-1247
Telex: 62014371 (DOMCAN BUF)
Fax: (716) 852-4340

Territory:
Western, Central and Upstate New York

Chicago

Canadian Consulate General
Two Prudential Plaza
180 N. Stetson Avenue, Suite 2400
Chicago, Illinois 60601
Tel.: (312) 616-1860
Telex: 00254171 (DOMCAN CGO)
Fax: (312) 616-1877

Territory:
Illinois, Missouri, Wisconsin, the Quad City region of Iowa, Kansas City (Kan.)

Cleveland

Canadian Consulate
Illuminating Building, Suite 1008
55 Public Square
Cleveland, Ohio 44113-1983
Tel.: (216) 771-0150
Telex: 00985364 (DOMCAN CLV)
Fax: (216) 771-1688

Territory:
Kentucky, Ohio, West Virginia, Western Pennsylvania

APPENDIX 6

Dallas

Canadian Consulate General
St. Paul Place, Suite 1700
750 N. St. Paul Street
Dallas, Texas 75201-9990 (Business Reply)
Tel.: (214) 922-9806
Telex: 00732637 (DOMCAN DAL)
Fax: (214) 922-9815

Territory:
Texas, Arkansas, Kansas (except Kansas City),
Louisiana, New Mexico, Oklahoma

Detroit

Canadian Consulate General
600 Renaissance Centre, Suite 1100
Detroit, Michigan 48243-1798
Tel.: (313) 567-2340
Telex: 23-0715 (DOMCAN DET)
Fax: (313) 567-2164

Territory:
Michigan, Indiana, City of Toledo

Los Angeles

Canadian Consulate General
300 South Grand Avenue, 10th Floor
California Plaza
Los Angeles, California 90071
Tel.: (213) 687-7432
Telex: 00674657 (DOMCAN LSA)
Fax: (213) 620-8827

Territory:
Arizona, California (10 southern counties),
Clark County in Nevada

Minneapolis

Canadian Consulate General
701 - 4th Avenue South, Suite 900
Minneapolis, Minnesota 55415-1899
Tel.: (612) 333-4641
Telex: 29-0229 (DOMCAN MPS)
Fax: (612) 332-4061

Territory:
Iowa, Nebraska, Minnesota, North Dakota, South
Dakota, Montana

New York

Canadian Consulate General
1251 Avenue of the Americas
New York, New York 10020-1175
Tel.: (212) 768-2400
Telex: 62014481 (DOMCAN NYK)
Fax: (212) 768-2440

Territory:
Connecticut, New Jersey, Southern New York; (also
Bermuda)

San Francisco

Canadian Consulate General
50 Fremont Street, Suite 2100
San Francisco, California 94105
Tel.: (415) 495-6021
Telex: 0034321 (DOMCAN SFO)/Easylink 62014485
Fax: (415) 541-7708

Territory:
California (except the 10 southern counties), Colo-
rado, Hawaii, Nevada (except Clark County), Utah,
Wyoming

Seattle

Canadian Consulate General
412 Plaza 600, Sixth and Stewart
Seattle, Washington 98101-1286
Tel: (206) 443-1777
Telex: 032-8762 (DOMCAN SEA)/
Easylink 62014458
Fax: (206) 443-1782

Territory:
Alaska, Idaho, Oregon, Washington

Appendix 7

International Trade Centres, Canada Customs Regional Offices and U.S. Representatives in Canada

International Trade Centres

Vancouver

International Trade Centre
Scotia Tower, 900 - 650 West Georgia St.
P.O. Box 11610,
Vancouver, British Columbia
V6B 5H8
Tel.: (604) 666-0434
Fax: (604) 666-8330

Calgary

International Trade Centre
11th Floor, 510 - 5th Street S.W.
Calgary, Alberta
T2P 3S2
Tel.: (403) 292-6660
Fax: (403) 292-4578

Edmonton

International Trade Centre
Canada Place, Suite 450
9700 Jasper Avenue
Edmonton, Alberta
T6J 4C3
Tel.: (403) 495-2944
Fax: (403) 495-4507

Saskatoon

International Trade Centre
The S.H. Cohen Building
Room 401, 119 - 4th Avenue South
Saskatoon, Saskatchewan
S7K 5X2
Tel.: (306) 975-5315
Fax: (306) 975-5334

Winnipeg

International Trade Centre
P.O. Box 981
330 Portage Ave., 8th Floor
Winnipeg, Manitoba
R3C 2V2
Tel.: (204) 983-4099
Fax: (204) 983-2187

Toronto

International Trade Centre
4th Floor, Dominion Public Building
One Front Street West,
Toronto, Ontario M5J 1A4
Tel.: (416) 973-5053
Fax: (416) 973-8161

Montreal

International Trade Centre
Tour de la Bourse
800, Place Victoria - 38^e étage
C.P. 247
Montreal, Quebec
H4Z 1E8
Tel.: (514) 283-8185
Fax: (514) 283-8794

Moncton

International Trade Centre
Assumption Place, 770 Main St.
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9
Tel.: (506) 851-6452
Fax: (506) 851-6429

Halifax

International Trade Centre
Central Guarantee Trust Building
1801 Hollis Street
P.O. Box 940, Station "M"
Halifax, Nova Scotia
B3J 2V9
Tel.: (902) 426-7540
Fax: (902) 426-2624

Charlottetown

International Trade Centre
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown, Prince Edward Island
C1A 7M8
Tel.: (902) 566-7400
Fax: (902) 566-7450

St. John's

International Trade Centre
215 Water Street, Suite 504
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel.: (709) 772-5511
Fax: (709) 772-2373

Canada Customs Regional Offices

Pacific

1001 West Pender Street
Vancouver, British Columbia
V6E 2M8
Tel.: (604) 666-0545 (Customs Enquiries)
Fax: (604) 666-4780

Alberta

Suite 720, 220 - 4th Avenue, S.E.
Calgary, Alberta
T2G 4X3
Tel.: (403) 292-4660 (Customs Enquiries)
Fax: (403) 292-6123

Central

Federal Building
269 Main Street
Winnipeg, Manitoba
R3C 1B3
Tel.: (204) 983-6004 (Customs Enquiries)

Southwestern Ontario

P.O. Box 2280
Walkerville Postal Station
Windsor, Ontario
N8Y 4R8
Tel.: (519) 973-8144 (Customs Enquiries - Windsor)
Tel.: (519) 645-4131 (Customs Enquiries - London)
Fax: (519) 254-6209

Hamilton

400 Grays Road N.
Stoney Creek, Ontario
L8E 3J6
Tel.: (416) 578-8715 (Customs Enquiries)
Fax: (416) 578-8700

Toronto

One Front Street West
P.O. Box 10, Station A
Toronto, Ontario
M5W 1A3
Tel.: (416) 973-8022 (Customs Enquiries)
Tel.: (416) 676-3643 (Customs Enquiries after 16:30)
Tel.: (800) 387-0793 (Postal Enquiries)
Fax: (416) 973-8960

Ottawa

2265 St. Laurent Boulevard
Ottawa, Ontario
K1G 4K3
Tel.: (613) 993-0534 (Customs Enquiries)
Tel.: (613) 952-2423 (Postal Enquiries)
Fax: (613) 957-9080

Montreal

400, Place d'Youville
Montreal, Quebec
H2Y 3N4
Tel.: (514) 283-9900 (Customs Enquiries)
Tel.: (514) 283-2944 (Postal Enquiries)
Fax: (514) 283-7500

Quebec

130 Dalhousie Street
P.O. Box 2267
Quebec City, Quebec
G1K 7P6
Tel.: (418) 648-4445 (Customs Enquiries)
Fax: (418) 648-4504

Atlantic

6169 Quinpool Road
P.O. Box 3080
Halifax South Postal Station
Halifax, Nova Scotia
B3J 3G6
Tel.: (902) 426-2911 (Customs Enquiries)
Fax: (902) 426-2359

United States Representatives in Canada**Ottawa**

Embassy of the United States of America
100 Wellington Street
Post Office Box 866, Station "B"
Ottawa, Ontario, K1P 5T1
Tel.: (613) 238-5335

Vancouver

Consulate General of the United States of America
1075 West Georgia Street,
Vancouver, British Columbia, V6E 4E9
Tel.: (604) 685-4311

Calgary

Consulate General of the United States of America
615 Macleod Trail South East, Room 1050
Calgary, Alberta, T2G 4T8
Tel.: (403) 266-8962

Toronto

Consulate General of the United States of America
360 University Avenue
Toronto, Ontario, M5G 1S4
Tel.: (416) 595-1700

Montreal

Consulate General of the United States of America
455 René Lévesque Boulevard, Post Office Box 65
Postal Station Desjardins
Montréal, Québec, K2Z 1Z2
Tel.: (514) 281-1886

Quebec

Consulate General of the United States of America
1 Ste. Genevieve Street, 2 Place Terrace Dufferin
Post Office Box 939
Québec, Québec, G1R 4T9
Tel: (418) 692-2095

Halifax

Consulate General of the United States of America
Suite 910, Cogswell Tower, Scotia Square
Halifax, Nova Scotia, B3J 3K1
Tel: (902) 429-2480

Appendix 8

Provincial Government Trade Development Offices

British Columbia

Ministry of International Business and Immigration
Suite 730
999 Canada Place
Vancouver, British Columbia
V6C 3E1
Tel.: (604) 844-3100
Fax: (604) 660-4048

Alberta

Department of Economic Development and Trade
Trade Development Division
Sterling Place, 11th Floor
9940 - 106th Street
Edmonton, Alberta
T5K 2P6
Tel.: (403) 427-4809
Fax: (403) 427-0610

Saskatchewan

Department of Economic Diversification and Trade
Trade Promotion Branch
Bank of Montreal Building
2103-11th Avenue
Regina, Saskatchewan
S4P 3V7
Tel.: (306) 787-2222
Fax: (306) 787-2159

Manitoba

Department of Industry, Trade and Tourism
Trade Branch
410 - 155 Carlton Street
Winnipeg, Manitoba
R3C 3H8
Tel.: (204) 945-2456
Fax: (204) 957-1793

Ontario

Department of Industry, Trade and Technology
The Americas Branch
Hearst Block
900 Bay Street
Toronto, Ontario
M7A 2E1
Tel.: (416) 965-5834
Fax: (416) 963-1526

Quebec

Ministère des Affaires internationales
770 Sherbrooke Street West, 7th Floor
Montreal, Quebec
H3A 1G1
Tel: (514) 499-2176
Fax: (514) 873-7468

New Brunswick

Department of Commerce and Technology
Trade Division
Centennial Building
P.O. Box 6000
Fredericton, New Brunswick
E3B 5H1
Tel: (506) 453-2875
Fax: (506) 453-7904

Nova Scotia

Department of Industry, Trade and Technology
World Trade and Convention Centre
Market Development Centre, 6th Floor
1800 Argyle Street
P.O. Box 519
Halifax, Nova Scotia
B3J 2R7
Tel.: (902) 424-4242
Fax: (902) 424-5739

Prince Edward Island

Prince Edward Island Development Agency
Marketing Group
West Royalty Industrial Park
West Royalty, Prince Edward Island
C1E 1B0
Tel.: (902) 368-5800
Fax: (902) 566-4030

Newfoundland

Department of Development, Trade,
Investment and Promotion Branch
Confederation Building
New Annex, 4th Floor
P.O. Box 4750
St. John's, Newfoundland
A1C 5T7
Tel: (709) 576-2788
Fax: (709) 576-5936

Appendix 9

Sources of Information About Agents by Industry Sector

Please note: The following list of contacts represents a sampling of hundreds of sectoral associations of sales agents located throughout the United States. External Affairs and International Trade Canada does not accept responsibility for recent changes to the listings as they appear here, or for the type of information which these associations offer. The Commercial Divisions of Canadian Consulates can provide additional contacts to Canadian companies which are committed to exporting. It is recommended that new exporters contact these offices first for advice and names of agents.

Agricultural Machinery

Agricultural and Industrial Manufacturers' Representatives Association (AIMRA)
5818 Reed's Road
Mission, Kansas 66202 USA
Tel.: (913) 262-4511
Fax: (913) 262-0174

Farm Equipment Wholesalers Association
1927 Keokuk Street
Iowa City, Iowa 52240 USA
Tel.: (319) 354-5156
Fax: (319) 354-5157

Apparel

Billings Market Association
P.O. Box 80145
Billings, Montana 59108 USA
Tel.: (406) 652-6132

Bureau of Salesmen's National Associations
(Apparel, Footwear, and Home Furnishings)
1819 Peachtree Rd., N.E., Suite 210
Atlanta, Georgia 30309-1854 USA
Tel.: (404) 351-7355
Fax: (404) 728-1520

Bureau of Wholesale Sales Representatives
1819 Peachtree Rd., N.E., Suite 210
Atlanta, Georgia 30309-1854 USA
Tel.: (404) 351-7355
Fax: (404) 352-5298

Central West Market Association
Ladies'/Children's Apparel & Accessories
8944 H Street
Omaha, Nebraska 68127 USA
Tel.: (402) 339-6770
Fax: (402) 337-9285

Iowa Fashion Mart
Ladies'/Children's Apparel
& Accessories
Des Moines, Iowa 50322 USA
Tel.: (515) 277-0414

Iowa Men's Apparel Mart
(Men's/Boys' Apparel & Accessories)
Contact: Ms. Sharon Wilson
10925 Poppleton Avenue
Omaha, Nebraska 68144 USA
Tel.: (402) 397-7765

Midwest Ski Representatives Association
Ski Clothing/Accessories/Equipment
833 Thomas Court
N. Brooklyn Park, Minnesota 55444 USA
Tel.: (612) 436-8723

N.W.S.A.
Ladies'/Children's/Apparel/
Accessories
4052 Hyatt Merchandise Mart
1300 Nicollet Mall
Minneapolis, Minnesota 55403 USA
Tel.: (612) 333-5219

APPENDIX 9

Michigan Apparel Club
P.O. Box 21219
Detroit, Michigan 48211 USA
Tel.: (313) 345-4655

Nebraska Men's Apparel Mart
(Men's/Boys' Apparel & Accessories)
Contact: Ms. Sharon Wilson
10730 Pacific, Suite #49
Omaha, Nebraska 68144 USA
Tel.: (402) 397-7765

North Central Sporting Goods Association
(Athletic Apparel and Sporting Goods)
Contact: Mr. Gene Ronning
11438 Louisiana Avenue South
Bloomington, Minnesota 55438 USA
Tel.: (612) 944-6788

Northwest Salesmen's Association (N.W.S.A.)
(Women's/Children's Apparel & Accessories)
Contact: Ms. Joan Peterson
4052 Hyatt Merchandises Mart
1300 Nicollet Mall
Minneapolis, Minnesota 55403 USA
Tel.: (612) 333-5219

Northwest Western Wear
and Equipment Travellers' Association
Contact: Ms. Pat Samuelson
4542 Washburn Avenue South
Minneapolis, Minnesota 55410 USA
Tel.: (612) 922-5195

Outdoor Reps Association
(Outdoor Clothing and Equipment)
Contact: Ms. Gayle Ruff
P.O. Box 643
Madison, Wisconsin 53701 USA
Tel.: (608) 833-7616

Sportswear Apparel Assn.
450 - 7th Avenue, Suite 1008
New York, New York 10123 USA
Tel.: (212) 564-6161

Stan Stack Manufacturers'
Representatives Junior Apparel
1407 Broadway
New York, New York 10018 USA
Tel.: (212) 354-7370

Underwear-Negligee Associates
16th Floor, 100 East 42nd Street
New York, New York 10017 USA
Tel.: (212) 867-5720

Upper Midwest Men's Apparel Club (U.M.M.A.C.)
(Men's/Boys' Apparel & Accessories)
Contact: Ms. Joan Titus
4131 Hyatt Merchandise Mart
1300 Nicollet Mall
Minneapolis, Minnesota 55403 USA
Tel.: (612) 332-7961

Women's/Children's Apparel Club of Ohio
3635 Weston Road
Columbus, Ohio 43215 USA
Tel.: (614) 267-5888

Pacific N.W. Mens' Apparel Club and Pacific N.W.
Apparel Association
2601 Elliott Avenue
Seattle, Washington 98121 USA
Tel.: (206) 728-6622
Fax: (206) 448-4721

Audiovisual

Independent Professional Reps Organization
(I-PRO)
(Audiovisual Products)
P.O. Box 33
Accord, Massachusetts 02016 USA
Tel.: (617) 740-1550

Automotive

Automotive Service Industry
444 North Michigan Avenue
Suite 200
Chicago, Illinois 60611 USA
Tel.: (312) 836-1300
Fax: (312) 836-1009

Automotive Affiliated Representatives Inc.
Same address as above.

Automotive Affiliated Representatives Inc.
Upper Midwest Chapter
Contact: Mr. Greg Olson
6325 Cambridge Street, Box 16147
Minneapolis, Minnesota 55416 USA
Tel.: (612) 431-7106

Automotive Booster Clubs International
(new address)
1545 Waukegan Road
Glenview, Illinois 60025-2187 USA
Tel.: (708) 729-2227
Fax: (708) 729-3670

Heavy Duty Representatives' Association
(Heavy Duty Vehicles, Parts, and Equipment)
4015 Marks Road, Suite 2B
Medina, Ohio 44256 USA
Tel.: (216) 725-7160
Fax: SAME

Power Transmission Representatives' Association
5818 Reed's Road
Mission, Kansas 66202 USA
Tel.: (913) 262-4512
Fax: (913) 262-6174

Automotive Booster Clubs International
501 Algonquin Road West
Arlington Heights, Illinois 60005-4411 USA
Tel.: (312) 593-8350

Automotive Affiliated Representatives Inc.
Upper Mid-West Chapter
c/o Mr. Greg Olson
6325 Cambridge Street
Box 16147
Minneapolis, Minnesota 55416 USA
Tel.: (612) 431-7106
Fax: (612) 925-4307

Auto Parts Aftermarket Association
5100 Forbes Boulevard
Lanham, Maryland 20706 USA
Tel.: none listed

Ohio Automotive Wholesalers' Association
1560 Fishinger Road
Columbus, Ohio 43221 USA
Tel.: (601) 451-0573
Fax: (601) 451-9382

North Carolina Automotive Wholesalers' Association
Executive Vice-President
219 Boylan Avenue North
Raleigh, North Carolina 27603 USA
Tel.: (919) 821-1314

Tennessee Automotive Wholesalers' Association
Executive Vice-President
Cavalier Building
Suite 102P
Nashville, Tennessee 37205 USA
Tel.: (615) 352-8600
Fax: (615) 362-8645

Automotive Wholesalers' Association of Alabama
Executive Vice-President
958 South Perry Street
Montgomery, Alabama 36104 USA
Tel.: (205) 834-1848
Fax: (205) 834-1860

Georgia Automotive Parts Association
Executive Director
2245 Dillard Street
Tucker, Georgia 30084 USA
Tel.: (404) 934-7874
Fax: (404) 934-8758

Mississippi Automotive and Tire
Wholesale Association
219 Highland Village
Jackson, Mississippi 39211 USA
Tel.: (601) 981-8150

Business Machines and Computers

American Microcomputer Dealers' Association
14282 Irving Boulevard
Suite 200A
Tustin, California 92680 USA
Tel.: (714) 838-0272

Computer Dealers and Lessors Association
1212 Potomac Street Northwest
Washington, D.C. 20007, USA
Tel.: (202) 333-0102
Fax: (202) 333-0180

Chemicals and Plastics

Sales Association of the Chemical Industry
(new address)
P.O. Box 2148
West Paterson, New Jersey 07424 USA
Tel.: (201) 256-5547
Fax: (201) 256-6752

APPENDIX 9

Construction/Building Materials

National Building Material Distributors' Association
1417 Lake Cook Road
Suite 130
Deerfield, Illinois 60015 USA
Tel.: (708) 945-7201
Fax: (708) 945-7203

Consumer Products/General Merchandise

National Association of General Merchandise
Representatives
401 N. Michigan Avenue
Chicago, Illinois 60611 USA
Tel.: (312) 644-6610
Fax: (312) 321-6869

Cosmetics

Foragers of America
515 Madison Avenue, Suite 1313
New York, New York 10022 USA
(212) 838-8600

Display Industry

National Association of Display Industries
470 Park Avenue South
New York, N.Y. 10016 USA
Tel.: (212) 213-2662
Fax: (212) 889-0727

Educational - Cultural

National Association of School Music Dealers
P.O. Box 1209
Fayetteville, North Carolina 28302 USA
Tel.: (919) 483-9032
Fax: (919) 483-3690

Electrical

National Electric Contractors' Association
751 North Broadway
Amityville, N.Y. 11701 USA
Tel.: (516) 789-0728
Fax: (516) 789-0747

North Central Electrical League
7600 Parklawn Avenue
Suite 403
Minneapolis, Minnesota
55435 USA
Tel.: (612) 835-4808

Electrical Equipment Representatives' Association
406 West 30th Street
Suite 628
Kansas City, Missouri 64111 USA
Tel.: (816) 753-0210

Electronics

Electronics Representatives' Association (ERA)
20 Huron Street East
Chicago, Illinois 60611 USA
Tel.: (312) 649-1333
Fax: (313) 649-9509

Electronic Representatives' Association
3030 Harbour Lane
Minneapolis, Minnesota
55441 USA
(Paul Bunyan Chapter)
Tel.: (612) 559-0332
Fax: (612) 553-9326

Food Products, Processed

Marketing Agents for Food Service Industries
401 North Michigan Avenue
Chicago, Illinois 60611 USA
Tel.: (312) 644-6610
Fax: (312) 321-6869

National Association of Flour Distributors
Box 249
Yonkers, New York 10710 USA
Tel.: (914) 968-6100

National Food Brokers' Association
1010 Massachusetts Avenue Northwest
Washington, D.C. 20001 USA
Tel.: (202) 789-2844
Fax: (202) 842-0839

Association of Manufacturers' Representatives Inc.
(Food Brokers)
40005 West 65th Street
Room 221
Edina, Minnesota 55435 USA
Tel.: (612) 920-1656

Lanson Co. Natural Products
P.O. Box 2163
St. Augustine, Florida 32085 USA
Tel.: (904) 825-2757

National Honey Packers and Dealers Association
P.O. Box 6
Edgewater, Florida 32032 USA

Footwear

National Shoe Travellers' Association
11701 Borman Drive, Suite 324
St. Louis, Missouri 63146-4100 USA
Tel.: (314) 992-2141

Northwest Shoe Travellers' Association
c/o Mrs. Donna Merchant
2720 West 43rd Street
Minneapolis, Minnesota 55410, USA
Tel.: (612) 920-7757

Shoe Partners of Iowa
310 - S. First Street
Oskaloosa, Iowa 52577 USA
Tel.: (515) 672-2620

Pacific N.W. Shoe Travellers
2601 Elliott Avenue, No. 5105
Seattle, Washington 98121 USA
Tel.: (206) 441-1626

Furniture

Greater New York Home Furnishings Association
200 Lexington Avenue
New York, New York 10016 USA
Tel.: (212) 725-0091

International Home Furnishings Representatives'
Association
P.O. Box 670
209 South Main Street
Space M1215
High Point, North Carolina 27261-0670 USA
Tel.: (919) 889-3920

New Jersey Furniture Association
669 Nassau Street
New Brunswick, New Jersey 08902 USA
Tel.: (908) 249-4240

New Jersey Furniture Manufacturers' Reps
26 Long View Road
Livingston, New Jersey 07039, USA
Tel.: (201) 992-4844

North Central Home Furnishings
Representatives' Association
International Market Square
Minneapolis, Minnesota 55405 USA
Tel.: (612) 338-8380
Fax: (612) 338-8016

National Wholesale Furniture Association
P.O. Box 1209
Fayetteville, North Carolina
28302 USA

Giftware

Gift Retailers, Manufacturers & Reps Assn.
1100-H Branywine Blvd.
P.O. Box 2188
Zanesville, Ohio 43702-2188 USA
Tel.: (614) 452-4541

Upper Midwest Allied Gift Association (UMAGA)
c/o Stan Hultberg
Minneapolis Gift Mart
10201 Bren Road West
Minnetonka, Minnesota 55343 USA
Tel.: (612) 932-7200

Government Procurement

Government Contracts Association
Detroit Chapter, Market Square
P.O. Box 954
Royal Oak, Michigan 48058 USA

Hardware (Industrial)

National Electrical Manufacturers
Representatives' Association
222 Westchester Ave.
White Plains, New York 10604 USA
Tel.: (914) 428-1307
Fax: (914) 428-0470

Industrial Manufacturers' Representatives
Association
Executive Secretary
Building 42, 4th Floor
3615 Superior Avenue
Cleveland, Ohio 44114 USA

National Wholesale Hardware Association
1900 Arch Street
Philadelphia, Pennsylvania 19103 USA
Tel.: (215) 564-3484
Fax: (215) 564-2175

APPENDIX 9

Power Transmission Representatives' Association
5818 Reed's Road
Mission, Kansas 66202 USA
Tel.: (913) 202-4512
Fax: (913) 202-0174

Specialty Tool & Fasteners Distributors' Association
P.O. Box 44
Elm Grove, Wisconsin 53122 USA
Tel.: (414) 784-4774

Home Appliances/Commercial Equipment

Air Conditioning & Refrigeration Wholesalers
Association
6360 N.W. 5th Way, Suite 202
Fort Lauderdale, Florida 33309 USA
Tel.: (305) 771-1000

Association of Industry Manufacturers'
Representatives
(Plumbing, Heating and Air Conditioning)
222 Merchandise Mart
Suite 1360
Chicago, Illinois 60654 USA
Tel.: (312) 464-0091

North American Heating & Air Conditioning
Wholesalers' Association
Box 16790
Columbus, Ohio 43216 USA
Tel.: (614) 488-1835
Fax: (614) 488-0482

Home Furnishings

Dalton Floor Covering Manufacturers' Market
Association
415 East Walnut Avenue
Suite 208
Dalton, Georgia 30721 USA
Tel.: (404) 278-4101
Fax: Same as phone

International Furnishings and Design Association
200 Lexington Avenue
New York, N.Y. 10016 USA
Tel.: (212) 686-6020

North Central Home Furnishing Representatives'
Association
275 Market Street
Minneapolis, Minnesota 55405 USA
Tel.: (612) 338-8580

NorthWest Travellers of
the Home Furnishing Industry
(Washington Chapter)
648 Ferndale Place Northeast
Renton, Washington 98056 USA
Tel.: (206) 226-1393

NorthWest Travellers of
the Home Furnishing Industry
(Oregon Chapter)
3129 Bryce Street Northwest
Portland, Oregon 97212 USA
Tel.: (503) 287-6660

Hospitality/Food

Marketing Agents for the Food Services Industry
(Washington Chapter)
15 Park Circle
Centreport, N.Y. 11721 USA
Tel.: (516) 754-0508

Upper Midwest Hospitality Association
Contact: Mr. Dennis Breamer
871 Jefferson Avenue
St. Paul, Minnesota 55102 USA
Tel.: (612) 222-7401

Housewares

International Pot and Kettle Club
P.O. Box 97386
Tacoma, Washington 98497 USA
Tel.: (206) 582-6494

Northwest Hardware Housewares Club
c/o Mrs. Margy Ulrich
8424 West River Road
Minneapolis, Minnesota 55444 USA
Tel.: (612) 561-6503

Industrial Control Equipment/ Pollution Control

Manufacturers' Agents National Association (MANA)
23016 Mill Creek Road
P.O. Box 3467
Laguna Hills, California 92654 USA
Tel.: (714) 859-4040
Fax: (714) 855-2973

Interior Design

American Society of Interior Designers (A.S.I.D.)
National Headquarters
604 Massachusetts N.E.
Washington, D.C. 22002 USA
Tel.: (202) 546-3484
Fax: (202) 546-3420

Minneapolis Chapter - A.S.I.D.
International Market Square
275 Market Street
Minneapolis, Minnesota 55405 USA
Tel.: (612) 339-6003

New York Chapter - A.S.I.D.
200 Lexington Avenue
New York, N.Y. 10016 USA
Tel.: (213) 685-3480

Jewelry

Southern Jewelry Travellers' Association
Myra F. Meditz
Executive Director
1655 Tullie Crescent
Atlanta, Georgia 30329 USA
Tel.: (404) 634-3434

24K Midwest Inc.
c/o Ted Seglem
12921 Exley Avenue
Apple Valley, Minnesota 55124 USA
Tel.: (612) 432-6767

Leather Goods

Luggage and Leather Goods Salesmen's
Association of America
370 W. Broadway, #1A
Long Beach, New York 11561 USA
Tel.: (516) 431-4931

Leisure/Sporting Goods Equipment

Tackle and Shooting Sports Agents' Association
2625 Clearbrook Drive
Arlington Heights, Illinois 60005 USA
Tel.: (312) 364-4460

Bicycle Wholesale Distributors' Association
1900 Arch Street
Philadelphia, Pennsylvania 19102 USA
Tel.: (215) 564-3484

Midwest Ski Representatives' Association
(Ski Clothing/Accessories, Equipment)
c/o Ms. De Bourdaghs
8335 Thomas Court North
Brooklyn Park, Minnesota 55444 USA

National Association of Sporting Goods Wholesalers
Box 11344
Chicago, Illinois 60611-0344 USA
Tel.: (312) 565-0233

North Central Sporting Goods Association
(Athletic Apparel and Sporting Goods)
Contact: Mr. Gene Ronning
11438 Louisiana Avenue South
Bloomington, Minnesota 55438 USA
Tel.: (612) 944-6788

Outdoor Reps Association
(Outdoor Clothing and Equipment)
Contact: Ms. Gayle Ruff
P.O. Box 643
Madison, Wisconsin 53701 USA
Tel.: (608) 833-7616

Sporting Goods Agents' Association
P.O. Box 998
Morton Grove, Illinois 60053 USA
Tel.: (708) 296-3670
Fax: (708) 827-0196

Western Winter Sports Representatives' Association
Executive Director
2621 Thorndyke Avenue West
Seattle, Washington 98199 USA
Tel.: (206) 284-0751
Fax: (206) 285-7901

Lumber

North American Wholesale Lumber Association
3601 Arlington Heights Road
Suite 400
Rolling Meadows, Illinois 60008 USA
Tel.: (708) 870-7470
Fax: (708) 870-0201

Machinery, Production Machinery Equipment

Agricultural & Industrial Manufacturers' Representatives Association (AIMRA)
5818 Reed's Road
Mission, Kansas 66202 USA
Tel.: (913) 262-4511
Fax: (714) 855-2973

Association of Manufacturers' Representatives
4005 West 65th Street
Edina, Minnesota 55435 USA
Tel.: (612) 920-1656

Heavy Duty Representatives' Association
(Heavy Duty Vehicles, Parts and Equipment)
4015 Marks Road, Suite 2B
Medina, Ohio 44256 USA
Tel.: (216) 725-7160
Fax: SAME

National Association of Industrial Agents
5818 Reeds Road
Shawnee Mission, Kansas 66202-2704 USA
Tel.: (913) 262-4510
Fax: (913) 262-0174

Power Transmission Representatives' Association
5818 Reeds Road
Shawnee Mission, Kansas 66202-2704 USA
Tel.: (913) 262-4512

Marine

North Central Marine Association
33, 10th Avenue South
Suite 100
Hopkins, Minnesota 55343 USA
Tel.: (612) 939-0416
Fax: (612) 936-9070

N.W. Marine Trade Association
Executive Director
1900 Northlake Way North
Suite 233
Seattle, Washington 98105 USA
Tel.: (206) 634-0911
Fax: (206) 632-0078

National Marine Distributors' Association
1810 S. Rittenhouse Square, Suite 411
Philadelphia, Pennsylvania 19103 USA
Tel.: (215) 735-3303

National Marine Representatives' Association
Box 957075
Hoffman Estates, Illinois 60195-7075 USA
Tel.: (708) 213-0806

Medical and Pharmaceutical Products

Health Industry Distributors' Association (HIDA)
225 Reinekers Lane, Suite #650
Alexandria, Virginia 22314 USA
Tel.: (703) 549-4432

Health Industry Representatives' Association
P.O. Box 1321
Mission, Kansas 66222 USA
Tel.: (212) 686-1952

Health Industry Representatives' Association
5818 Reeds Road
Shawnee Mission, Kansas 66202-2740 USA
Tel.: (913) 262-4513
Fax: (913) 262-0174

Metals Processed and Fabricators

Manufacturers Agents' National Association (MANA)
23016 Mill Creek Road, Box 3467
Laguna Hills, California 92654 USA
Tel.: (714) 859-4040
Fax: (714) 855-2973

Office Products

Northwest Travellers Club
c/o Mr. Char McLaughlin
8116 Tierney's Woods Road
Minneapolis, Minnesota 55438 USA
Tel.: (612) 941-0221

Office Products Representatives' Association
600 S. Federal St., Suite 400
Chicago, Illinois 60605 USA
Tel.: (312) 922-6222

Oil and Gas Equipment

Petroleum Equipment Representative's Association
5818 Reed's Road
Mission, Kansas 66202 USA
Tel.: (913) 262-4511
Fax: (913) 262-0174

Plastics/Paper

Sales Association of the Paper Industry
P.O. Box 7673
Garden City, New York 11530-7673 USA
Tel.: (516) 741-1113

Plumbing

Plumbing, Heating, Cooling
Manufacturers' Club
9008 Morgan Avenue South
Minneapolis, Minnesota 55431 USA
Tel.: (612) 888-5833 (Reps. Only)

Power Transmission

Power Transmission Distributors' Association
100 Higgins Road
Park Ridge, Illinois 60068 USA
Tel.: (708) 825-2000
Fax: (708) 825-0953

Printing

International Printers Supply Salesmen's Guild
Printing Industry of Illinois
70 E. Lake Street
Chicago, Illinois 60601 USA
Tel.: (312) 704-5000

Textiles

Fabric Salesmen's Association
450 - 7th Avenue, Suite 2905
New York, New York 10001 USA
Tel.: (212) 594-4283

Toys

The Southeastern Toy Travellers' Association Inc.
P.O. Box 930219
Norcross, Georgia 300093 USA
Tel.: (404) 985-4638

Pacific North Toy Association
Executive Director
2601 Elliott Avenue, No. 5105

Wood and Wood Products

North American Wholesale Association
3601 Arlington Heights Road
Rolling Meadows, Illinois 60008 USA
Tel.: (708) 870-7470
Fax: (708) 870-0201

Appendix 10

National Associations of U.S. Agents

Manufacturers' Agents National Association (MANA)
23016 Mill Creek Road
P.O. Box 3467
Laguna Hills, California 92654 USA
Tel.: (714) 859-4040
Fax: (714) 855-2973

Manufacturers' Representatives of America
P.O. Box 150229
Arlington, Texas 76015 USA
Tel.: (817) 465-5511
Fax: (817) 468-5757

National Council of Salesmen's Organizations
303-5th Avenue, Room 1303
New York, New York 10016
Tel.: (718) 835-4591

National Association of Wholesalers and Distributors
1725 K. Street Northwest
Washington, D.C. 20005 USA
Tel.: (202) 872-0885

Society of Manufacturers' Representatives Inc.
30555 Southfield Road
Southfield, Michigan 48075 USA
Tel.: Unlisted

American Marketing Association
250 South Wacker Drive, Suite 200
Chicago, Illinois 60606 USA
Tel.: (312) 768-7277
Fax: (312) 599-1268

Appendix 11

Relevant Publications

A. Publications on the Manufacturer-Agent Relationship

*Agency Sales Magazine**

Manufacturers' Agents National Association
P.O. Box 3467
Laguna Hills, California
92654 USA
Tel: (714) 859-4040

*Directory of Manufacturers' Sales Agencies**

Annual. Manufacturers' Agents National Association
P.O. Box 3467
Laguna Hills, California
92654 USA
Tel: (714) 859-4040

*The Manufacturers' Guide: Dealing With Agents**

Gordon Rogers Manufacturers' Agents Association
of North America
15 Toronto Street, Suite 200
Toronto, Ontario M5C 2R1
Tel: (416) 923-5819

*National Trade and Professional Associations of the U.S.**

Directory (NTPA) Columbia Books Inc.
1350 New York Avenue Northwest
Suite 207
Washington, D.C. 20005 USA
Tel: (202) 737-3777

* Asterisk indicates publication fee.

B. Publications on Exporting to the United States

Business Travel and the FTA (79UB)

Canadian Exporter's Guide to the U.S. Market (20UA)

Exporter's Guide to Transportation (106TA)

FTA Rules of Origin (89UA)

Guide to the FTA Rules of Origin (86UA)

Selecting and Using Foreign Agents and Distributors (28TA)

So You Want to Export (3TA)

U.S. Country of Origin Marking Requirements (87UA)

External Affairs and International Trade Canada regularly commissions and publishes U.S. Market Studies for various products and services. Readers are encouraged to inquire about available studies by calling InfoExport at 1-800-267-8376 (Ottawa area: 944-4000); fax: (613) 996-9709. Please quote the code number of the publication.

Export Techniques, 2nd Edition

(246 pages). Everything you need to know step-by-step to export.

J.R. Arnold
Box 1556
Parksville, B.C. VOR 2S0

Supplement to Export Techniques

Free Trade Agreement to date, Export Permits, Foreign Exchange. J.R. Arnold, as above.

Market Studies of United States:

Shipping to US Markets

Transportation hints for Atlantic Canada Exporters. (English or French). Toll-Free 1-800-267-8376.

C. Publications on Exporting

CanadExport

Twice-monthly eight-to-12 page newsletter. External Affairs and International Trade Canada.
Call: 1-800-267-8376. French or English.

Tips & Topics

Published monthly for exporters in the four Atlantic Provinces by the Atlantic Provinces Transportation Commission
P.O. Box 577
Moncton, New Brunswick
EIC 8L9

EDC TODAY

Six issues annually. Published by the Export Development Corporation
P.O. Box 655
Ottawa, Ontario K1P 5T9
Each issue in both French and English

World Business

Twenty-four issues, 12-page newsletter issued on 5th and 20th of each month. Published by World Business
Suite 202
5307 Canotek Road
Gloucester, Ontario K1J 9M2

Fisheries Export Handbook

Department of Fisheries and Oceans,
Communications Directorate
240 Sparks Street
Ottawa, Ontario K1A 0E6
Tel: (613) 993-0600

Understanding Export

Canadian Manufacturers' Association
1 Yonge Street, 14th Floor
Toronto, Ontario M5E 1J9
Tel: (416) 363-7261

So You Want to Export

External Affairs and International Trade Canada
Call: 1-800-267-8376.

Do's and Taboos Around the World (Roger Axtell)

Book stores will obtain from John Wiley & Sons Inc. Book and one hour of tapes. A must before any foreign trip including; US.

International Centres Chartered Banks: Each publishes excellent booklets on various aspects of exporting. Royal Bank has free in plain language, **Letters of Credit, Incoterms and Uniform Customs and Practice for Letters of Credit**. International Centres of other chartered banks have many worthwhile booklets and trade bulletins.

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