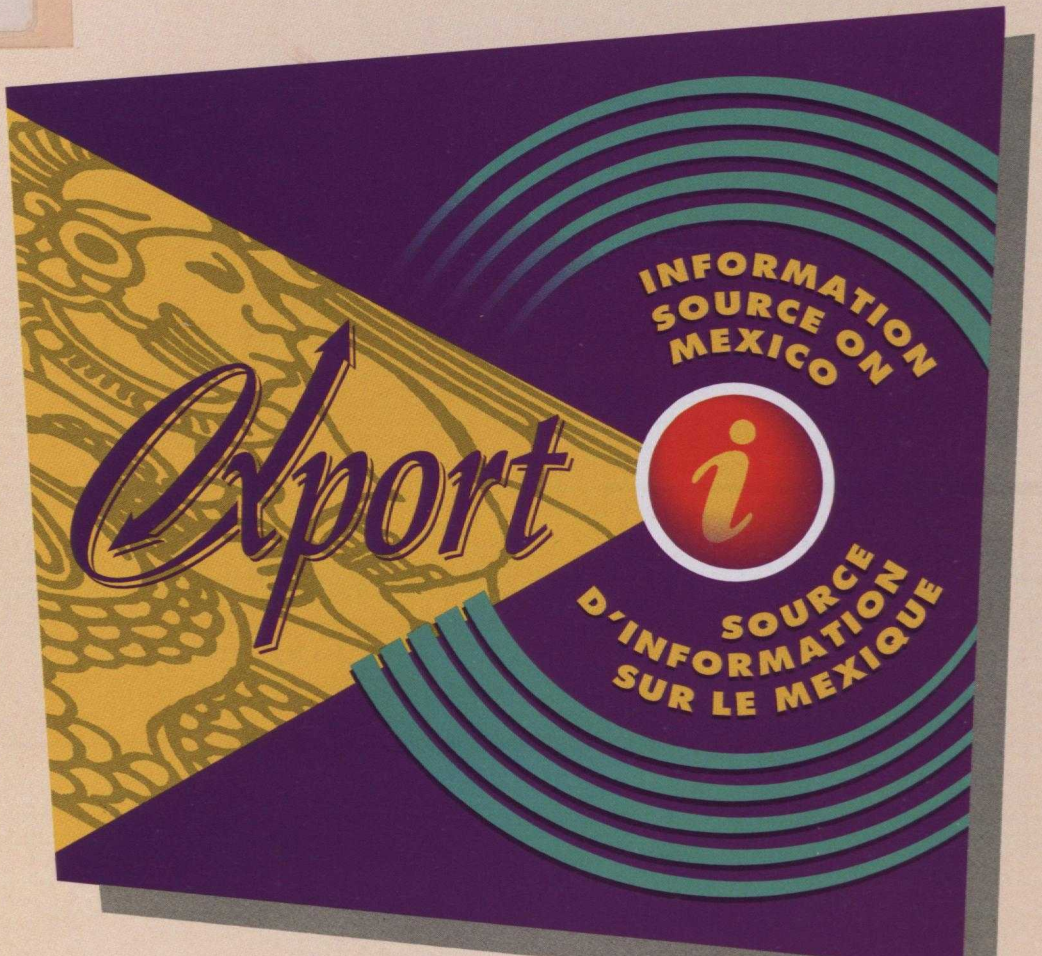
Canada



EXPORT MARKET ACCESS TOOL

REFERENCE MATERIALS - MEXICO

Team Canada • Équipe Canada

Department of Foreign Affairs and International Trade
Ministère des Affaires étrangères et du Commerce international
Latin America & Caribbean Branch

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EXPORT MARKET ACCESS TOOL

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The Toronto office, in existence since 1962, is an integral part of the North American practice of the firm which includes nine offices in the United States and four in Mexico.

The areas of firm's expertise in Canada and Mexico include:

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- Banking and Finance
- Corporate and Commercial
- Customs
- Environmental Law
- Foreign Investment and *Maquiladora* Law
- Health Law
- Immigration
- Intellectual Property
- International Trade
- Labour and Employment Law
- Real Estate, Tax and Transportation
- Tax Law

The Baker & McKenzie offices in Canada and Mexico work to assist Canadian companies to find the right partner to enable them to establish or expand business activities in Mexico. Whether a company's objective is to raise capital, establish a joint venture or strategic alliance, or begin exporting to the Mexican market, Baker & McKenzie offers a coordinated approach to ably facilitate entry to the Mexican market.

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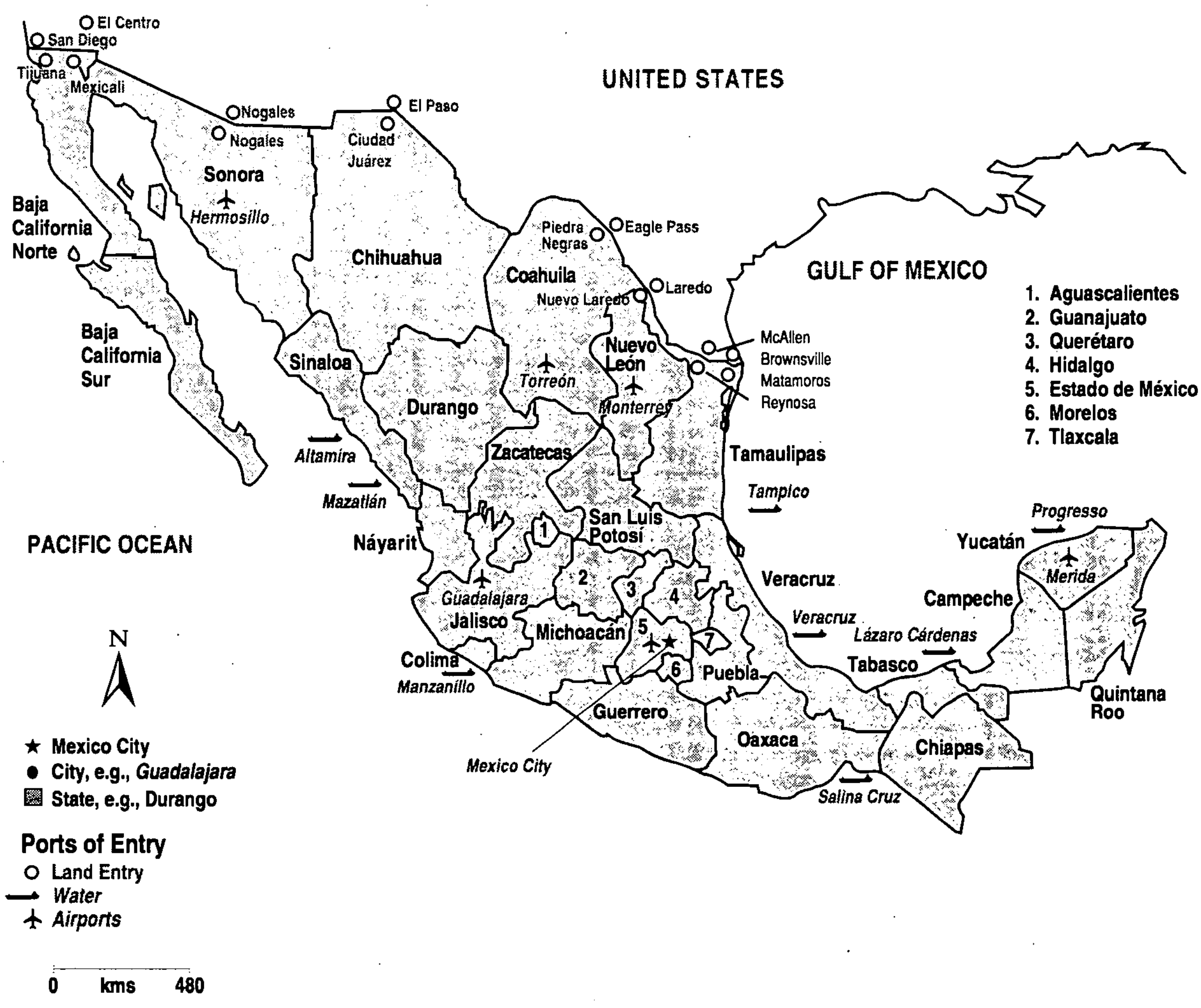

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The North American Free Trade Agreement (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of $7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded $5.5 billion in 1994 and is expected to exceed $7 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from $452 million in 1992 to over $1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to the International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board (IBB):
1-800-628-1581 or (613) 944-1581

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Overview

The purpose of this reference tool is to provide the business person with a guide to the export planning process. It presents the key questions that business people should consider as they take the steps connected with exporting into new markets. It is intended both for first-time exporters as well as those who have some limited export experience and wish to expand their export efforts.

Specifically, this publication guides the business person through ten basic areas of export planning, as listed below. Each of these involves information gathering, analysis and decision making, all of which culminate in action. Though thematically distinct, each step should be integrated into a seamless, iterative planning process.

1. Internal evaluation. Considers whether exporting is appropriate for the company given its current internal capabilities and resources.
2. Export readiness: a diagnostic. Examines the readiness of the firm to begin exporting or to expand its export efforts.
3. Target market definition. Examines the customers the company currently serves, how it adds value to them, and where it competes effectively as a way of guiding the search for new markets in which it can succeed.
4. Selection. Evaluates likely prospects to identify these geographic regions or countries that offer the most promising targets for the company.
5. Entry. Examines different ways of entering the target market to determine which one(s) best suits the company's needs and capabilities.
6. Marketing. Identifies different approaches to positioning and promoting the company and its offering in the target market, so as to choose which is likely to be the most effective.
7. Sales and distribution. Assesses how the company can sell its goods or services to customers in the target market, as well as how it can physically reach those customers.
8. Logistics and delivery. Evaluates issues concerned with moving goods or people (in the case of services) into the target market.
9. Financing. Analyzes the company's current financial situation, the outlays expected for the new export venture, and the expected returns. Identifies potential shortfalls and specifies financing requirements.
10. Monitoring. Identifies the tools and reporting systems that are appropriate and available in the target market to keep track of how well the company is doing. Also considers how to change direction in response to the information gathered.

It should be emphasized that planning is cyclical: it should not be treated as a linear process. As information is gathered, decisions are made and then tested through action. If results show that the information was incomplete or inaccurate, or the decision faulty, assumptions must be revised and additional information gathered. Often, the planner will return to the starting point to reconsider the entire strategic direction in light of new information, new developments or a new understanding of the company's situation and opportunities. What is critical is to ensure that there is an appropriate level of monitoring and feedback built in at every stage of the planning process.

1. Internal Evaluation

Companies that want to start exporting or to expand their exporting into new foreign markets usually devote some time to evaluating their own capabilities, resources and capacity. Specifically, their objective is to develop a sense of what the company does well. This analysis should help the business planner understand the strengths and weaknesses of the organization. It should also help establish its overall strategic direction and contribute to an identification of markets in which the company can do well.

Product and/or Service

- How unique is your product or service?
- Is it proprietary or protected in some way through patents, trademarks, copyright etc., or through investment in brand-name recognition?
- How important is innovation in your product and/or service?
- What are the unique features of your product and/or service? Are they easily copied?
- Is customization of your product or service an integral part of what you are selling?
- Is the price important? What are you doing to lower yours? Are there barriers to entry?
- How important is technology? What are your research and development plans? How do they compare with others in the industry? Do you have access to the talent you need?

Operations and Production Processes

- Are your production processes and internal operations effective? For example, can you produce and deliver a product more cheaply than anyone else or with better quality? Do you have low overheads? Are you constantly thinking about new ways to lower costs, improve quality or enhance service?
- Are your internal processes unique? Are they proprietary in any way? Can they be easily copied or duplicated?
- What are the barriers that other firms would face if they attempt to enter your business niche?
- How important are quality, price, reliability or timeliness to your customers?
- How well-integrated are you with suppliers and distributors? Is this essential for your business?

- How “electronic” is your paper flow? Is this important for efficiency?
- How important are inventories? For example, do you need them in stock, or available within 24 or 48 hours?
- How important is service? Do you respond to requests by telephone? Is it important to have a physical presence in the market? Do you need to make on-site calls? Are repairs and/or service easily contracted out, or do you need your own expertise?
- How do you ensure high reliability at low cost?
- How do you motivate staff to ensure quality, customer responsiveness and product and/or service performance? Are these techniques transferable?

Technology and Process Issues

- How technology-intensive are your internal processes? How important is technology for all your other activities?
- Do you have a research and development (R&D) program related to your production and operations activities?
- Is technology development an important feature of the firm’s overall business strategy? Is it part of its export strategy?
- How important is technology to the firm for:
  - product and/or service design;
  - product manufacturing or service development;
  - product and/or service delivery; or
  - marketing?
- What additional technology (if any) would be required to enter the target market?
- Does the company possess this technology?
- Does the company have an internal R&D capability?
- If not, where can it get it? At what cost?
- How available or accessible are sources of technology or R&D capabilities in both the home and target markets?
- What is the availability of university or government research programs to source or develop technology in the home and target markets?
- Is the company ready to acquire and implement new technology?
- If not, what does it need to do to become ready?
- Is the company’s technology ready to be taken to the target market?
- What steps are required to get it ready for the target market?

- Are there barriers to using new technology in the target or the home market, for example, access restrictions or support limitations?
- What is the technological capacity and potential of the firm's supplier and/or partner?
- How can the firm use technology to improve service, product, and/or information gathering?
- How can the firm use technology to improve its partner's ability to work effectively with it?

Market Responsiveness

- How important is your ability to respond directly to the needs of your customer for the success of your company?
- How do you keep track of what your customer needs? How important is your sales force in collecting information about your customers? What role is played by your sales and/or customer support people? What is the role of your technical and/or product support people? Are there others in your firm who keep close to customers? How do these different groups within your organization work together?
- How much responsibility does the individual sales representative have for making decisions? Are your sales people part of a team? How many people actually serve the client?
- What kind of mechanisms are in place to capture information and insights about your customer? How is this knowledge shared between groups within the organization? What kind of control systems are in place?
- What is unique about how you maintain responsiveness to your clients' needs?
- How important is tailoring your product and/or service to meet the specific needs of your customers? Where is the "value-added" you offer?
- How important are you to your clients? What approach do you take in order to fill that role?
- How much of the total service is provided by your company? Do you contract out some of the service components such as repairs, shipping or sales promotion? How large is your network of suppliers and/or subcontractors? How easily replaced or duplicated are their services?
- How important are long-term relationships to your business? What are the up-front costs of developing new customer relationships? What are your criteria for deciding to pursue a new customer?

Corporate Capacity and Resources

- What is the risk capacity of the company's owners and/or shareholders?
- What is the company's financial situation in terms of cashflow, borrowing capacity or assets?
- What is the human resources capacity? How much can you stretch existing resources? How accessible are trainable staff? How much training is required? What is the cost?
- What is your operations and/or production capacity? Do you have additional shift capacity internally? Can you expand capacity through subcontracting or other means? At what rate of capacity is your plant currently operating? What are potential bottlenecks? Do you have the option of contracting out more business effectively and reliably? How much is done in-house vs. contracted out?
- What is your research capacity? Can you access the talent you need? Where is your process R&D located? Is it well-staffed and supplied? Do you have cooperative agreements with other research centres such as universities and research institutions? Do you collaborate on research with other firms?
- Can you access and/or source necessary raw materials, parts and components? From where do you access these? Are your suppliers stable and reliable? Where do you assemble product? Why? Is your current solution to this task optimal for the market you want to enter?

Subcontractor and/or Supplier Capacity

- How much capacity exists with your subcontractors? What are their plans, geographic reach, and resources? Do they provide you with a priority service or are you one of many customers?
- Are there other potential suppliers and/or contractors? What are their capacity, geographic reach, plans and resources?

Strategic Analysis

By answering the questions related to your internal competencies, capacity and resources, you can assess where your company offers real value to your customers, your capacity to act, and identify areas that will require further development. It will further clarify where it is important for you to maintain control over your operations, where you can realistically subcontract services or products, and what the nature of these relationships should be. The competitive analysis will help refine what your company needs to do in order to capture or sustain a market leadership position.

This internal analysis should then be combined with an "environmental scan" of the external environment prior to making a decision about whether or not to expand beyond current markets.

2. Export Readiness: Diagnostic

Companies should not export unless they are ready. Having evaluated the company's internal capabilities, the next step is to set those against the requirements of exporting. A critical element in any export effort is corporate commitment. Does the company understand the export process? Does it have the specialized skills needed to pursue this course of action? Is the company committed to exporting? Will it dedicate executive time and funds to the effort? This part of the planning process should culminate in a decision on whether or not the company should actively begin investigating and pursuing foreign market opportunities.

Human Resources

- Do you have at least one staff member that can be assigned to the export effort on a full-time basis? Or, would you have to assign several individuals on a part-time basis to this function? Would they be both interested in and committed to the export effort? What incentives would they be given to make it succeed? Are they willing to travel frequently?
- Is there a senior executive in the company who is willing to champion the export effort? How much time can they devote to developing the firm's international business? Can they travel abroad frequently? Does the executive have the position and influence needed to cut across red tape and make things happen? What incentives would be required?
- Does the firm and its chosen representative(s) have the time to pursue foreign business opportunities? What activities would have to be given up to make such time?

Financing

- Do the company's planners have an idea of what the export development effort will cost and how long it will take? If not, how will they find out?
- Does the company have assets that can be used to support the expenses of an export effort?
- Can the company afford to take money out of its operating funds to support the export effort? If so, how much?
- Does the company have access to additional sources of financing such as investors, strategic partners or commercial financing institutions?
- How large a cashflow deficit — and for how long — could the company afford before its core business begins to suffer?

Other Resources

- Do you have a telecommunications infrastructure of faxes, modem and/or e-mail that are capable of supporting reliable, ongoing communications with a foreign market?
- Would frequent travel abroad be feasible for your company? Are you located close to key transportation routes?
- Do you have a strategic planning capacity capable of identifying export objectives for your firm? Are you currently able to specify concrete objectives in terms of sales and foreign market share? Do you have a promising market in mind? Can you assess, compare and rank different export opportunities?

Skills

- Has your company any experience in exporting? If so, would the same people involved in that prior effort be involved in the proposed expansion?
- Even if the company has not exported previously, does it possess people who have had some experience of exporting? How much experience? Where did they acquire it? Was the experience positive and successful?
- Are there individuals in your company with first-hand experience of any foreign markets? Have any of your staff lived abroad? Do any speak foreign languages? Are they familiar with foreign cultures and business practices?
- Do you have access to specialized export skills in technical areas such as preparing quotations, drawing up financial instruments, export documentation, shipping, customs clearance or permits? If not, would you be willing to devote time and people to acquire these skills through courses? Alternatively, do you know where you would get access to people who already have these skills?

Business Leads

- Do you have a target market in mind? Why do you think that market is suitable for your company? Have you evaluated this market? Do you have an idea of how the market will respond to your product or service?
- Does anyone in the company have contacts or leads in promising foreign markets? Does the company know anyone either internally or externally who is capable of the required market research?
- Do any of the company's associates or strategic partners export? Do they know of anyone with contacts in a promising foreign market? Would they be willing to help you develop a position in that market? What would they want in return?
- Do you know anyone else who has done business abroad? Have you any business acquaintances who may know about exporting?
- Do you have access to external sources of help that could be used in the company's export effort?

Strategic Analysis

In answering these questions, the company should keep in mind the costs, complexity and risks involved in exporting. It must be absolutely sure that it is prepared to commit the time, resources and money needed to succeed. If it will, then it can proceed to identify promising opportunities and develop the skills needed to take advantage of them.

3. Target Market Definition

This section is intended to assist in the development of a model of the type of market in which the company can be most successful. What has made the company successful in the past? What is likely to make the company successful in the future? Who are its customers? What value-added does the company provide them? Who are its competitors and what are they doing and planning?

This analysis is important in identifying the key attributes that would characterize the most promising foreign market and what is important to the customers in that market. In evaluating a new foreign market, it is important to know if the customer(s) sought by the company actually exist there, as well as being in sufficient numbers to make the effort worthwhile. Furthermore, it is important to know what kind of competition the company faces in its current markets and who the competitors might be in the new target markets. Finally, will modifications to the product or service be required to better satisfy customer preferences and needs?

Competitive Situation

- How do you define the market in which you compete?
- On what basis do you compete? Where is the "value-added" you provide for your customer? For example, is it price, performance, design, name recognition, service, responsiveness, technology, innovation — or a combination of such elements? At what level in the marketing chain do you compete?
- With whom do you compete? Where are they in the chain? What is their distinctive advantage?
- Do you compete with the same companies in each geographic market? If not, why?
- Do you compete for talent, resources, suppliers, subcontractors or research?
- How does your firm's mix of talent, resources and established network of contacts compare with that of your competitors?
- Where is your competition headed? What is their long-term outlook in terms of alliances, new markets, investments, their capacity, competencies or management?

Customer Analysis

- What attributes define your customer?
  - Retail customers. What is their income, lifestyle, age, sex, marital status, employment status, education level and psychographic profile?
  - Industrial customers. What is their size, purchase and delivery requirements, organizational structure, types of relationships and corporate culture?
  - Government customers. What are their procurement guidelines, local preferences, relationships with the foreign government, and amount of work contracted through international financial institutions (IFIs)?
- What is important to your client? How do availability, cost, product quality, innovation, responsiveness of company to needs, service and reliability rank?
- What do you do particularly well that makes your product competitive in your home market? That is, where does your company provide "value-added" to the customer?
- What types of activities can influence the purchasing decision? Do you use testimonials, advertisements, in-person sales or promotions? Are they a critical element of the purchase decision, i.e. to build brand awareness?
- How do your customers buy products and/or services in the home market? Is this an integral part of the product and/or service? What is the value of factors such as speed-to-market, freshness, quality, reliability? Are any of these features integral to the business?
- How does the product and/or service fit with the customer's overall spending and spending priorities? Is the customer price sensitive?
- What are the predominant trends? Does the product and/or service have a predictable life cycle? What must the company do to renew its offering?

Strategic Analysis

The information collected will help the company develop a clear profile of its customer(s), what is important to them, and where the company creates real value for them. The company can then assess how transferable the "value-added" components of its product or service are to new markets and whether these attributes are all-important.

In conducting more detailed market research, the company should be guided by its understanding of what its customers value and what the firm is capable of delivering. This will allow it to prepare a customer profile, track developments, and update it as additional information is received. It should also be remembered that the customer can change as the product goes through its life cycle and as the business refines and/or reinvents what it is offering.

4. Selection

This phase consists of conducting in-depth market research of one or more promising markets to determine the target geographic market, to identify if there is good potential there, and to ascertain how business should be conducted for the best results. The following information can be collected for one market or else be developed for several simultaneously. The results can then be compared in order to identify the most attractive target.

Basic Market Information

Target Market Profile

- How do you define the customers for your product or service in the target market? Who are they? Is this an exclusive definition? Can it be broadened by modifying the product or service to capture a larger group of customers?
- What are the attributes of customers for your product or service in the target market in terms of demographics, purchasing behaviour, influences, price sensitivity and time requirements?
- How do the potential customers in the target market differ from customers in the home market?
- How big is the market in terms of total shipments and consumption? Is it growing?
- What share of the market is controlled by domestic suppliers? How much is accounted for by foreign-owned or foreign-controlled suppliers or importers? How successful are each of these competitors? Is their share growing or contracting? Why?
- Are there any companies that dominate the market? If so, what is their market share and country of origin? Who are their customers? Are they the same as yours?

Market Structure

- How many firms compete in the market? Are they large or small? Are they foreign or domestically owned? Are they public or private? Are they concentrated in a few centres or dispersed throughout the market? Are partnerships common? If so, what type? Is there a horizontal or vertical integration of firms? What are the outsourcing patterns and purchasing cycles?
- Is the market deregulated? Are there tariff or trade restrictions?
- What considerations from the environmental scan are particularly noteworthy, for example labelling, packaging or social customs?

- How important is this sector to the local economy? What is its contribution to gross national product (GDP), number of employees, etc.
- How productive is the local industry? How profitable is it? What are typical investment rates? How much is exported? Do local companies hold any patents or other forms of intellectual property?
- How important are local operations in the target market for companies with global operations?
- What is the supporting infrastructure in the target market in terms of educational facilities, research centres, telecommunications, transportation, inter-industry linkages and partnerships, and other support networks?

Marketing and Distribution Infrastructure

- How is product delivered in this market? What channels are available?
- Who are key channel participants? Do they have pre-existing contracts or arrangements with competitors? Are there barriers to entry?
- Are there other companies which serve this market? Are there new channels developing?
- What are normal credit terms, commissions and rates of compensation?
- How is service provided to the customer? How is it delivered? Is the market receptive to new ways of doing things?

Strategic Benefits

- How important is the target market as a stepping stone to other markets in the region? What is the market's reputation in the region?
- Which country or region is essential for building or consolidating the company's market position?
- Where can the company make the best return in the short-term and the long-term?
- Where will the company have the most impact vis-à-vis its competition? Will setting up operations in a particular market with strong allies deter competitors from entering the same market?
- Where will the company have access to research institutions, universities etc.? Can it access complementary research and development (R&D) and technical know-how?
- How important and how accessible is information in the market? What kind of information resources are available? Are they national or regional? Can you access strong qualitative and quantitative data about the competition, customers and markets?

- Are there partners who could provide you with a strong competitive advantage in the market or in the region?
- Are there local manufacturing resources that could give your firm an edge?
- Are there local marketing resources which could be of benefit?
- Can you readily access financial support or resources in this market?

Market-specific Competitive Analysis

- At present, how well are the needs of the customer being met in the target market?
- Is there a predominant competitor? How is market share distributed? On what basis are they competing?
- Who are the key competitors in the local market in terms of:
  - name
  - home country
  - global sales
  - sales in the target market
  - market share
  - growth in market share
  - employees and facilities in the target market
  - product attributes, i.e. "value-added"
  - distribution channels — including promotion and logistics
  - how sales are supported
  - pricing strategy
  - management
  - partnerships and alliances
  - suppliers, distributors and contractors
  - use of technology and innovation.

Considerations Related to the Foreign Business Environment

Political, Legal and Regulatory Requirements

- What are local ownership requirements? Is there a need for a local partner? Are there specific investment requirements?
- What is the situation with regard to income taxes, withholding taxes, corporate structures and regulations on intra-company transactions?
- What is the impact of trade agreements, trade barriers, incentives, import restrictions, export requirements, or customs procedures?
- What are the government regulations affecting labelling, packaging, product safety, technical standards and environmental considerations?
- Is there adequate protection of proprietary products or processes in terms of trademarks, patents and copyrights?
- What are the local policies governing competition, antitrust and local preference?
- What political risks exist in the target market in terms of expropriation, nationalization, political instability and civil disturbances?
- Are there controls on foreign exchange, currency trading or repatriation of profits?

Social and Cultural Factors

The company should gather information on the following factors in terms of their impact on the marketability or popularity of its product or service:

- demographics of the population: age, sex, ethnicity, income and social structure
- geography, climate (appropriateness of product, effect on product)
- cultural norms, values
- religious influences, taboos
- secular values, customs, traditions, lifestyle, “dos and don’ts” etc.
- educational levels, literacy rates, school enrollment, post-secondary participation, budgets
- language(s) spoken by consumers, the business community, the scientific community, others
- access to information and views about privacy

Economic Factors

The firm should develop a solid sense of where the local economy is headed by gathering information on:

- economic outlook, strength of the economy, stability of the currency, market growth potential;
- spending patterns of individuals in terms of per capita spending, breakdown per income group, percentage spent on imported goods, growth projections;
- economic priorities, levels of savings, investment;
- size and characteristics of the employed workforce;
- financial indicators such as per capita debt, deficit, balance of payments, exchange rates and federal currency reserves; and
- economic management priorities and/or policies vis-à-vis inflation, devaluation, deficit reduction, etc.

Technological Considerations

Some companies may require local technological capabilities. In such instances, they will need to know about issues such as the following:

- Is it easy to access to new technologies which can have an impact on the company, its products or its services? Can the company secure access to local research infrastructure?
- Is there adequate protection for technology that is transferred into the country in terms of patents or trademarks?
- Is there reasonably reliable and inexpensive access to online services and/or telecommunications networks?
- What are the characteristics of the scientific and technological workforce?
- What are per capita research and development (R&D) expenditures in the target market?

Market Factors

Most companies will be interested in some broad market indicators such as:

- import and export figures by sector, by country of origin, and by destination;
- consumption figures;
- relative market share figures; and
- ease of access to strategic information about the target market, competition, and other regional markets.

Target Market Operations and/or Production Factors

- What are the characteristics of the local transportation infrastructure? Is it adequate to support the company's requirements?
- What is the local availability and quality of suppliers, agents, distributors and joint venture partners?
- What is the capacity and resources of potential local suppliers and partners? Are they adequate to meet the firm's requirements?
- What is the size of the industrial sector in which the company is active?
- There are other key target market issues to consider. For example, at what stage is your product in its life cycle? Has the product just been introduced or has it already penetrated the market?

Strategic Analysis

This analysis should help the company identify what its potential is in the market(s) studied. The analysis should show if there is a gap in the market, what the company offers that might fill that gap, and how large its market share could potentially become.

Ideally, the market analysis should be done on a comparative basis with a variety of potential countries and/or regions. The firm would look at the various costs and benefits associated with each choice and weigh their relative merits.

Through the information gathered about the marketing and distribution infrastructure in the markets, you should be able to ascertain if there is potential for your company to use existing resources in the market or if you will need to develop alternatives.

The analysis should identify if there are other strategic benefits to becoming involved in this market. For example, a foray here might engage good strategic partners and suppliers, which can then be used in other regional markets. The market could also yield important strategic customer information which can be used for a larger market area.

5. Entry

The next step requires that a company identify the best way to enter a new market — in terms of its own needs and objectives, its ability to overcome competitive threats, and respond to external considerations, such as tariffs or transportation costs, which affect success.

Key to developing a successful entry strategy is to keep in mind how different the new market is likely to be from existing markets. Will the firm need to modify its products or services to meet the customer's needs? Will it need to change its internal processes or its marketing approach? How much local support, assistance or partnering can it expect in the target market?

Information Needs

For most companies, particularly in their early stages, foreign markets can best be reached by indirect exporting (through trading houses or export management companies) or through direct exporting on their own account. There are times, though, when exporting is not the optimal choice. Competitive pressures, ways of doing business in the target country, plus the company's own long-term plans are some of the factors which may lead the company to adopt another form of market entry. What follows is a checklist of criteria that can influence the market entry strategy, along with an indication of what might be the most appropriate responses.

How to enter the market depends on:

- internal considerations such as the resources available and corporate financial objectives;
- external considerations such as the impact on competitors, the possibility of locking-in the best partners, capturing lower costs by producing in the foreign country, plus incentives or restrictions imposed by the host government; and
- strategic and information considerations such as which method of market entry provides the best information about the customers, the market and key influences. Is this information worth the cost of having a more direct link to the country?

Popular Market Entry Options

The four market entry options that are the most popular are:

- indirect export through a trading house or export management company, or by selling components and inputs to companies that do export;
- direct export, either through an agent or distributor, or on the company's own account;

- contractual entry through a joint venture, licensing arrangement, transfer of technology, franchise, service contract, management contract, or turnkey project; and
- direct investment, including greenfield investments, acquisitions, mergers, or investment in an existing operation.

The following table provides a brief analytical overview of how the five main entry options respond to a variety of market factors and characteristics. A double "xx" indicates that the option offers a strong response.

Analysis of Market Entry Options

Criteria for Market Entry	Export	Own Subsidiary	Joint Venture/ Strategic Alliance	Licensing/ Franchising	Investment
Market Factors					
High market demand/attractiveness		x	x	x	x
Uncertain market demand	xx				
High market intensity/quick response	x		xx	x	
Well-developed market infrastructure	xx		x	x	
Local preference			x		xx
Political and Economic Factors					
High political risk	xx				
Trade barriers			x	x	xx
Exchange fluctuation/difficulties	xx				
Local content/ownership required			x	x	xx
Taxes, repatriation, royalty restrictions	x		x		
Intellectual property protection	x	x	x	xx	x
Strategic Importance					
Fast-growing locally-based competition		x	xx	x	xx
Access to R&D in target market			x		xx
High strategic geo-political importance for the entire region		x	x	x	xx
High learning potential; valuable information about customers and competitors		xx	x		x

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Criteria for Market Entry	Export	Own Subsidiary	Joint Venture/ Strategic Alliance	Licensing/ Franchising	Investment
Partners, Suppliers and Distributors					
High quality, available in the target market	xx		xx		
Competitive defence; secure partner			xx	x	x
Broader regional access	xx		xx	x	
Culture; high learning valued		xx	x		xx
High barriers to entry			xx	x	x
Local contacts very important			xx		
Internal Considerations					
Product and/or service:					
Highly differentiated	xx	x		x	
Customized	x	x	x		xx
Proprietary/protected	xx		x	x	
Brand name	x	x		x	
Commodity/lowest cost			x		xx
Global product	xx	xx		x	
Operations:					
Proprietary	xx	xx			x
High investment required	xx	xx			
Low barriers to entry			xx	x	x
High degree of integration with suppliers	xx	x			
High dependence on suppliers	xx	x			
High inventory requirements		x	xx		x
Low cost per volume weight			x	x	xx
Information/Service Requirements					
High level of personalized service	x	xx	x	x	xx
High knowledge of product required	x	xx			x
On-site service and support required		xx	x		x
Reliable customer information and feedback		xx	x		xx

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Criteria for Market Entry	Export	Own Subsidiary	Joint Venture/ Strategic Alliance	Licensing/ Franchising	Investment
Capacity					
Low risk	xx	x		x	
Limited financial resources; cashflow and borrowing	xx		x	x	
Human resources; high training costs, limited availability	x		x		
Production; capacity available in home market	xx	xx			
Limited supplier capacity in home market			x		xx

Legend

Export: selling product using wholesalers, agents and distributors in market; firm does not actually do the direct selling.

Own subsidiary: set up own selling and marketing operation in target country.

Joint venture/strategic alliance: arranging a partnership with a local partner to design, manufacture, sell, market and/or support the product and/or service.

Licensing/franchising: selling the rights/technology/expertise and/or concept for a business in a set geographic territory for a fee, plus royalty/commission on gross sales.

Investment: making an equity investment in a market to produce and market the product or service.

The market entry decision is based on a consideration of all possible factors even though some, such as political risk or local preferences, may be more important than others. The company's commitment, timing, resources, product and/or service attributes, and its capacity to respond to the needs of the market are all important considerations.

As part of the information gathering process, the company should develop cost scenarios for each option. These can be used in determining what resources will be required, and at what price you will have to sell your product or service in the market.

The analysis should identify what form of market entry makes sense, depending on the market potential, external considerations, cost, corporate capacity, and availability of suitable partners, distributors and/or suppliers. A market entry strategy evolves over time. It can start with an uncomplicated relationship with a distributor but can eventually move to the creation of a joint-venture partnership with a local concern. The analysis should identify the availability of partners, competitive pressures, and whether a company is more likely to be successful with a local partner or on its own.

Partnering has emerged as an extremely important part of doing business internationally. Joint ventures, strategic alliances, agency agreements, distributorships, licensing, franchising and investment all depend on building partnerships. Whatever their preferred strategy, most exporters now regularly look for foreign partners to help them enter new markets.

PARTNERING REQUIREMENTS

The first step in developing an effective partnering strategy is to evaluate the firm's current internal resources. This will identify gaps that partners should fill. The critical issue is to set the entry strategy within the context of determining what is to be done, where, and by whom. Does the company already have the skills and expertise needed to make the venture a success? If not, what should it be looking for in a partner?

CURRENT CAPABILITIES

- What are the company's existing capabilities in:
  - management
  - marketing and sales
  - finance and administration
  - production
  - research and development (R&D)
  - other
- Can the company develop additional internal capabilities? Does the company have internal training capabilities? Does it use external training?
- What monitoring and feedback systems are in place to track skills development among current employees, suppliers, agents and partners?
- Is anyone from the firm familiar with the new market? If so, how can they be deployed to support market entry? Are these internal resources in the home market transferable or even suitable? Are there external resources in the home country that may be transferable into the target market?
- Does the company intend to hire either in the home market or locally? If locally, what are the laws and regulations governing employment?
- How easy is it to find appropriately qualified people? Will the firm be able to hire them as fully competent and trained entities, or will significant training and development be needed? Will the company train them internally or externally?

PARTNERING OBJECTIVES

- Given the company's entry strategy and its internal resources, what will it be looking for in a partnership?
  - market access
  - familiarity with local conditions, culture and business practices
  - proprietary technology
  - human resources (with specialized expertise)
  - capital
  - manufacturing facilities
  - distribution channels
  - other

- In which of these areas does the firm have strategic needs?
  - human resources
  - information
  - contacts
  - operations
  - distribution
  - marketing
  - financing
  - market knowledge
  - time
- Which of the following are especially important to the firm in evaluating the suitability of potential partners?
  - market knowledge
  - manufacturing capacity
  - technological capabilities
  - location
  - human resources
  - financial strength
- Which of the following issues are critical to the successful negotiation of a deal with the prospective partner?
  - complementarity
  - cooperation
  - organizational compatibility
  - measures to establish confidence
  - approach to customer service
  - financial contributions
  - level of risk accepted
  - reinvestment criteria
  - deployment of human resources

Strategic Analysis

The objective of this part of the planning exercise is to develop a profile of the kinds of partners the firm needs to help it with its entry strategy. Those profiles can then be used to guide the search for promising candidates.

In this phase, the company considers how best to develop the full potential of this market. The company's potential in the new market depends on how it positions itself and the promotional techniques it uses to reach customers. These should be appropriate both to the company's products or services and to the preferences and sensibilities of the target market.

6. Marketing

Market

- How does the firm best create value in the new market?
- Is its existing way of doing business suitable for this particular market? If not, what does it need to change?
- Does it have the information or resources to make these changes?
- How can the firm best find out about the needs and preferences of customers in the target market? Are techniques such as surveys or focus groups used and accepted in the target market?
- How is the competition different in the new market? How is it responding to the firm's entry into the market?

Product and/or Service

- Is it in a form that it can be sold successfully in the new market? Has the firm considered all the language, customs and social considerations that can affect product acceptance? Is the value that the firm offers domestic customers of value in the new market? How can it be replicated in the new market?
- What product and/or service adaptations are required to fulfill the potential of this market? How does the firm know?
- Are there other resources the firm should be taking advantage of in order to improve the competitiveness of its product and/or service?
- Where is product produced or sourced? Is there any "cultural dissonance" or logistical difficulty in using this as the country of origin?

Promotional Strategy

- How important is brand-name recognition?
- What form of promotion is most effective in reaching the target audience? In a market where there are many competitors, point-of-purchase promotions may be the most effective way to encourage use. In another market where there is minimal competition, consumer education and/or advertising may be required to raise product or brand awareness.
- How important is "made-in" in promoting product and/or service?
- How much promotion is required? To whom should the promotion be directed?
- How "local" should the promotion be? Can the firm use the same vehicles to promote its advantage in the new market as it does in existing markets? What modes of promotion are available in the new market? What new vehicles should it consider? Are there opportunities to form alliances?

- What legal, regulatory, social and cultural considerations are at play? Are there regulations concerning comparative claims, pricing claims, trademarks and labels, contests and premiums?
- How much money do you have to spend on promotions and where can you have the best impact for the money spent?
- Are there any product availability constraints that could have an impact on the size of your promotional efforts?

Pricing Strategy

Most international trade experts consider pricing to be a marketing issue: the price of a good or service is closely linked to how attractive it will be to a target market. There are five basic approaches.

Pricing Strategies and Market Entry

Strategy	Description
Static pricing	Charging the same price for all customers. It is seen as fair for all and easy to administer, but does not respond to price sensitivity and thus may not capture every potential buyer.
Flexible pricing	Charging different groups of consumers different prices as a means of capturing all possible demand in the marketplace. It requires positioning the product differently with different audiences.
Penetration pricing	Charging low prices to capture market share and knock competitors out of the game. Large sales volumes allow a company to benefit from economies of scale. Excessive use of this mechanism, however, runs the risk of eliciting a response in the form of anti-dumping legislation on the port of the government in the target market.
Market skimming	Charging premium prices and focussing on the wealthiest market segment as a way of maximizing profits from low sales volumes. This is often used when a new technology is introduced as a way of quickly recovering research and development (R&D) costs.
Market maintenance	Holding down prices to maintain market share, even if costs rise. For example, when the Mexican peso was devalued in December 1994, companies exporting to Mexico would have had to raise their prices drastically to cover their domestic costs. Some may not have done so, however, in order to keep their share of the Mexican market.

After reviewing these strategic possibilities, the firm should consider the following:

- How should it price the product for market entry? Will the amount of sales volume the firm achieves have an impact on its pricing strategy?
- Is the consumer price-sensitive?
- Does price influence how much the firm can sell?
- What pricing strategies are competitors following?
- Will pricing affect the amount of competition the firm faces? Does it affect the company's willingness to keep out competition?
- What advantages does the firm hope to achieve through its pricing strategy: market dominance, niche market or other?
- What should the price be to the distributor? Can it set the price for the end user?
- Will the pricing strategy change? At what point?
- Will pricing policy be legal in the market or attract undue attention?
- What are customers' payment terms and practices? How will this affect pricing?

7. Sales and Distribution

The single most important consideration for any business is the ability to make a sale. This depends, in part, on having the appropriate infrastructure in place to respond to customers, approach them, or satisfy their requirements. Establishing an effective sales infrastructure is complex enough in a domestic market. It is doubly complex when dealing with a foreign market.

Order Processing

Many companies start exporting by responding to unsolicited orders from abroad. This is a relatively low-risk test of a company's export capabilities.

- Who in the company would deal with a foreign request for a quote? Is there anyone in the firm who understands INCO terms? Does anyone in the firm know how to calculate landed costs? Is there anyone who is able to prepare a legally binding quotation?
- Does the firm have a formal order processing capability? If a foreign buyer agrees to purchase the firm's goods or services, how would the company satisfy the order? Does the firm have a method of informing the relevant departments of the order in the right sequence?
- How quickly could the firm respond to a foreign order? How long would it take to deliver the goods or provide the service? Is the firm's manufacturing capacity sufficiently flexible to accommodate a large foreign order? Is the firm's shipping department able to prepare goods for carriage abroad?

Agents, Distributors and Suppliers

Once a company has completed a few successful export sales, it is ready to start taking a proactive approach to exporting. Going beyond simply responding to incoming requests, it begins to actively solicit business abroad. Most companies entering a foreign market for the first time will rely on local agents and distributors. The following is a checklist that can be used in evaluating the kind of agents, distributors or suppliers the firm may want to engage in the target market.

- Who are the best agents, distributors and/or suppliers in the target market?
- What is their market coverage?
- What are their lines and products? Are they complementary or competitive to yours?
- Who are their customers?
- What is their experience and relationship with their customers?
- What does your firm need in the target market?
  - physical facilities such as storage
  - shipping and delivery
  - sales
  - promotion and marketing
  - after-sales service and product support
  - other services
- What kind of staff and capabilities do they have?
- What can they offer you?
  - physical facilities
  - shipping and delivery
  - sales
  - promotion and marketing
  - after-sales service and product support
  - other services
- How capable are they? How do you know?
- Are they willing to be trained? Can you learn from each other?
- What is their information gathering ability?
- What are their levels of technological sophistication? Use of technology?
- What is their ability to provide after-sales support and customer service?
- Can you get a qualified reference? Are they trustworthy?
- Are there things your firm can do to enhance their operations such as new technology or training?

Customer Service Strategy

An important element in the sales strategy is customer service. The exporting firm will need a clear idea of how it proposes to provide service to its customers before it can effectively use agents, distributors or suppliers. The following are some of the issues that should be considered in developing a customer service approach.

- Does the exporting firm have a clear idea of the needs of customers in the target market? How did it determine what those needs were?
- What mix of products and services does the company propose to offer customers?
- Are its offerings customized in any way? If so, what is the process of determining what needs to be customized? Who performs the customization?
- How is the offering delivered to customers? Are there delivery issues to resolve?
- Who handles order processing in the target market?
- What procedures and requirements are involved in order processing?
- What are the normal terms and conditions associated with order processing? Is special treatment available such as early delivery or the fulfillment of back orders? Are warehousing charges imposed on delayed orders?
- What payment terms are accepted? Is credit available? When are invoices normally due?
- Can the company handle special requests and requirements? If so, how does it cost these? Are delivery times affected? Who handles special requests?
- Will the company provide after-sales service to customers? If so, who will provide this? How will it be administered?
- How is after-sales support delivered:
  - on site
  - toll-free telephone
  - regular telephone
  - other
- Are there policies and procedures already in place for defining after-sales support?
- Does the company offer warranties and guarantees? Who handles these? How will it honour these in the event of a claim? Is there a policy on warranties and guarantees?
- Does the firm have a policy on returns? Who handles complaints and returns? Who handles exceptional situations?
- Are there other types of support the company offers?
- Where in the sales chain is the support?
- Does the firm gather feedback from customers? Does it have order tracking mechanisms in place? Does it measure customer satisfaction? Does it have mechanisms for responding to customer input?

8. Logistics and Delivery

The term "logistics" covers the process of controlling the flow and storage of raw materials, components, inventory, finished goods and information from their origin to the point of sale or consumption. The ability to manage this movement of inputs, products and information is increasingly seen as decisive in securing a competitive advantage. Companies that can manage the process cost-effectively are more likely to satisfy their customers than firms that do not, regardless of purchase price. For exporters entering a new market, setting up an efficient and effective process for delivering the goods is the single most complex hurdle to be overcome.

Customer Requirements

Customer service drives the logistics strategy. How much service and support is necessary and who will provide it? It is, however, necessary to keep a balance. Over-servicing the customer can be very costly and unnecessary. For example, next-day delivery may be important in major centres but may not warrant the additional cost for rural customers who do not have similar expectations.

- What are lead times for delivery? What are inventory requirements? Does the firm need local warehousing capacity or can it ship from the domestic plant? How expensive is transportation on a per unit basis?
- How important are replacement parts and on-site service to the customer? Do they need them immediately or are they willing to wait?
- Does the product need to be customized for each customer? If so, does it make more sense to repackage customized orders from a local warehouse for local customers or package small lots at the home plant?
- What impact do labelling and packaging requirements have on shipping and warehousing decisions?
- What form of product and/or service order-tracking and communication is used by the firm's customers or buyers in the target market? For example, do the buyers require electronic data interchange (EDI)?
- What are the policies of the firm's buyers regarding back-orders and early deliveries?

Operations

- Which of the company's products are manufactured internally? Which are sourced externally?
- How many suppliers does the firm deal with? Is the arrangement exclusive?
- What is the nature of the arrangements and commitments with suppliers?
- What is the capacity of the firm's partner(s) in the target market? What is the capacity of others in that market?
- Does it make sense to source all or some of the product in the target market?

- What are the most significant characteristics of the production process: quality, speed, customization etc.? Can the firm replicate these aspects in the new market? Can it do so more cost effectively? Can it do so at the same quality level?

Product Characteristics

- What impact does the physical appearance, shape, perishability, or divisibility of the product have on delivery?
- What preparations are required prior to shipping?
- How important is timely delivery? Will it spoil? Can it be damaged by climate or rough handling?
- Can the product be containerized?
- Will the product have to be inspected?

Documentation

- Which of the following documents should accompany the shipment?
  - bill of lading
  - commercial invoice
  - packing list
  - export permit
  - import permit
  - certificate of origin
  - sanitary or standards certificates
  - insurance certificate
  - other
- Who is responsible for preparing these documents?

Warehousing

- Will the shipment require storage between production and final delivery?
- What type of storage is required?
- Are there special storage requirements? Are these available?
- What is the expected time in storage?
- Is there an option as to where to store the shipment either domestically or abroad?
- If so, which is more cost effective?

SHIPPING

- Which of the following are most important to the firm's shipping decision?
  - speed
  - cost
  - security
  - simplicity
  - special handling
  - other

- Given the location of the target market, how does the firm propose to deliver the goods?
  - truck
  - rail
  - air
  - sea
  - a combination of the above (multimodal)

- Will the firm need to track the goods? If so, how well-developed is the carrier's tracking system?

- How can the risks of spoilage, loss, theft or delay be minimized? Will insurance cover these risks? Will the use of specialized transport minimize them?

DELIVERY

- Are the facilities at the port of entry adequate to handle the shipment?

- What customs procedures apply to the entry of the goods?

- Who will receive the goods and arrange for customs clearance?

- Who will transfer the goods to the carrier in the target market?

- If storage facilities are needed in the target market, who will be responsible for getting the goods to the facility?

- How will the goods reach their final destination?

TECHNOLOGY

- How can technology improve product delivery, service and support in the new market?

- How can you use technology to make your partner, distributor and/or supplier more effective?

- How can you use technology to reach your customer in a more effective manner?

A critical issue for the exporter is to determine the financial implications of the export venture. In particular, the exporter needs to:

- determine all costs incurred to accomplish the transaction;
- estimate the cashflow into and out of the company to identify periods of negative revenue; and
- evaluate all risks that could affect either the timing or amount of revenues generated by the transaction.

9. Financing

Estimating Costs

The first step in estimating costs is to determine whether or not the proposed deal is financially viable and to identify what financing, if any, will be needed to complete it. Preparing a costing sheet is an easy way to do both.

A costing sheet based on the items that are relevant to the transaction will allow a firm to determine its cost per unit. The result of this calculation should then be compared with the prices of competing goods or services in the target market. If the costs seem uncompetitive, the costing sheet can be used to identify expenses that can be reduced or eliminated. The company can use this calculation to develop a pricing strategy and a sense of its bottom line for use in negotiations with partners, agents, distributors, retailers or buyers.

Estimating Costs

Step in Export Process	Possible Cost Items	INCOterm
Manufactured Product	Research and development (R&D)	
	Materials, components	
	Labour	
	Product or process modification	
Making the Sale	Market research	
	Communications	
	Travel and accommodation	Ex Works (EXW)
	Events (trade fairs, missions)	
	Preparation of marketing materials	
	Translation into local language	
	Advertising	
	Negotiations	
	Legal or other fees	
	Agent's commissions	

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Step in Export Process	Possible Cost Items	INCOterm
Arrange Terms	Costs of drawing up letters of credit (L/Cs) etc.	
	Preparation of financing presentation	
	Financing charges	
	Export insurance	
Prepare Shipment	Labelling (in local language)	
	Packaging for foreign market	
	Packing and crating	
	Marking crate contents	
	Strapping	
	Prepare documentation (invoices, bills of lading (B/Ls), certificate of origin etc.)	
	Cargo insurance	
	Freight forwarder's fees	
Inland Freight (bring to international carrier)	Loading	
	Inland transport	Free Carrier (FCA)
	Tailgating	Free Alongside Ship (FAS)
	Unloading	
Lading	Demurrage (for delays)	
	Storage	
	Wharfage	
	Special charges (e.g. long, heavy loads, congestion etc.)	Free On Board (FOB)
	Lading charges	
Transport to Foreign Market	Freight	Cost and Freight (CF)
		Cost, Insurance and Freight (CIF)
		Carriage Paid To (CPT)
		Carriage and Insurance Paid To (CIP)
Land Goods in Foreign Market	Unloading	Delivered At Frontier (DAF)
	Storage	Delivered Ex Ship (DES)
		Delivered Duty Unpaid (DDU)
		Delivered Ex Quay (DEQ)
Clear Customs	Duties	
	Customs broker's fees	
Deliver to Customer	Reloading charges	
	Transport to final destination	Delivered Duty Paid (DDP)
	Unloading charges	

Estimating costs is a prerequisite for financial planning and, if necessary, securing financing. For this, a company needs to develop a sense of what its *aggregated* costs are likely to be. In other words, the objective is to go beyond unit costs to estimate the total cost of the entire transaction. Once this has been done, a cashflow assessment can be prepared.

CASHFLOW

A primary objective of export cashflow planning is to compare expected cash outlays with revenue inflows, and to do so over time. Companies should attempt to forecast these by using a cashflow planning sheet. Such a tool is based on the cost categories that a firm has identified. To fill out this cashflow sheet, it is necessary to consult the exporting cost sheet and consider when the costs incurred will have to be paid. These payouts should then be compared against the dates on which revenues are expected. The cumulative total at the bottom of the sheet should provide a running total of the company's cash position during any period.

It should be added that cashflow sheets can be prepared for a particular venture, such as exporting into a specific market, to test its impact on the firm. But they should also be drawn up for the company as a whole, since it is the entire firm that will ultimately be affected by any long period of negative cashflow in one of its projects.

SAMPLE CASHFLOW PLANNING SHEET

Period	1	2	3	4
Costs				
Product				
Sales				
Financing				
Shipment preparation				
Inland freight				
Transport				
Landing				
Customs				
Delivery				
Financing charges				
Total Cash Outflow				

Period	1	2	3	4
Revenues				
Cash advances				
Installment payments				
Due on settlement				
Drawbacks and holdbacks				
Factoring (sale of receivables)				
Total Cash Inflow				
Balance for Period				
Cash at beginning of period				
Cash at end of period				
Cumulative total: best case scenario				
Cumulative total: intermediate scenario				
Cumulative total: worst case scenario				

A strongly negative cashflow projection should not be taken as a reason for cancelling an export deal. Instead, it should be seen as a warning to the exporter to make appropriate financial counter-arrangements in advance. Faced with a protracted period of negative cashflow, the exporter can opt for one of three basic strategies:

1. seek different terms of sale from the buyer;
2. adopt internal measures to manage for cash; or
3. secure external financing.

Managing for Cash

Managing for cash involves taking measures to speed up the receipt of cash and slow down its outflow. Companies should analyze which of the following cash management techniques can be applied within their organization:

- deposit cheques immediately;
- control petty cash and advances;
- use credit cards for employee expenses;
- pay taxes and bills only when due;
- do not prepay for items such as insurance;
- put surplus cash into short-term, interest-bearing deposit instruments;
- make the most of benefits available under the tax laws;
- establish limits on the credit allowed customers;
- use the information supplied by credit agencies, banks, and bond rating services to establish appropriate credit terms for customers;
- invoice promptly;
- monitor receivables;
- charge interest on overdue accounts;
- cut off overdue accounts;
- negotiate with suppliers to accept extended payment terms;
- keep the company's banker informed in advance of what is happening and secure arrangements for short-term assistance; and
- negotiate with the bank to provide credit against cheques, even before they clear the system.

Sources of Financing

Even the best cash management techniques will not be sufficient to cover the outlays associated with larger export ventures. In many cases, companies will have to find additional financing outside of their own operation. In doing so, they should consider the following issues:

- What are the venture's total start-up costs? What are its fixed costs? What are its variable costs?
- What is the venture's break-even point?

- What are the funds going to be used for?
  - working capital
  - investment capital to pay for new plant and equipment
  - export credits
- What types of funding are already available to the company?
  - cashflow from existing operations
  - extended supplier credit
  - bank lines
  - credit cards
  - equity
  - government programs
- Which of the following potential sources of funding constitute likely prospects?
  - commercial banks
  - investors
  - partners
  - government agencies
  - international financial institutions
- Is funding likely to be available in the home market? In the target market? Elsewhere?
- Are advance or progress payments possible?
- Can the firm negotiate letters of credit (L/Cs)?
- Is the company eligible for insurance against commercial risk?
- Will the firm take measures to protect itself against exchange risk?
- What terms and conditions of financing is the company looking for? What terms is it willing to accept?

10. Monitoring

In this phase, the company identifies what types of information it should collect on an ongoing basis to track its performance and success in the new market. This can be especially useful to determine whether or not a change in strategic direction or tactics is required to enhance performance and improve results. It is unlikely that a company will optimize performance or realize its full potential right away. Only ongoing measurement of its activities allows for identifying areas for improvement. Specifically, this phase of the process is intended to examine three issues:

1. Can the firm capture enough significant information from existing sources? Or, does it need to develop other measurement tools or acquire information from additional reliable sources?

2. Is the information being collected useful to the firm?

3. Is it being disseminated to the people who need it and can use it?

The analysis should also consider if measurements and benchmarks are reasonable and realistic given the stage of entry in the market and timing in addition to other factors.

The Purpose of Information Gathering

In gathering information, the firm should be clear as to what the information is for and how it is to be used. Too much information is wasteful, too little does not permit effective control.

At the most fundamental level, information is gathered to measure the company's performance either against established benchmarks or against targets set out in the business plan. These should be set out within the context of the company's stage of development, the life cycle of its products, or the maturity of its market. In the case of an export venture, the company may wish to compare its performance against other corporate divisions as well as against competitors.

A first step is to establish a reasonable set of performance indicators. Which of the following are important to the firm's strategic objectives?

- Corporate performance. How is the export venture doing in terms of sales and margins? How is the venture performing relative to the company's success in other markets? How does its performance stack up against that of competitors?
- Profitability. Is the company satisfying its objectives, or those of shareholders, in terms of a return on investment or equity?
- Cashflow. Is the venture generating enough revenue to meet or exceed cashflow requirements? Are there problems ahead?
- Reinvestment. Is enough revenue being generated to satisfy the company's reinvestment objectives? Are investments paying off?
- Market share. Is the firm meeting its targets? Is it gaining market share? It is establishing a position of leadership?

Beyond establishing basic indicators, the firm should also look for information that can be used to identify areas of weakness or point to solutions. The following are two fundamental areas that should be considered for this kind of diagnostic application:

- Productivity. How productive are the people involved in the venture? How does this compare with productivity elsewhere in the firm, or elsewhere in the industry? Is technology being used effectively? Are administrative structures effective and efficient? Is there an effective balance between control and flexibility?
- Customers. How satisfied are customers? What is their opinion of the company and its products and/or services? How does this compare with opinions about competitors? Are there areas where customers see a need for improvement?

Sources and Techniques

Having set out the general objectives underlying information gathering, the next step is to specify where it can find appropriate information. The chart sets out examples of the basic types of information that companies generally collect and offers some examples taken from the Canadian business environment. Exporters must find similar sources in their target markets.

Information Types and Sources

Origin	Sources	Examples
Internal	Head office	Aggregate financial results (e.g. sales by division or market, gross revenues, costs, net income); overall returns on investment
	Sales staff	Sales figures by individual market, customer tracking (e.g. by toll-free telephone numbers, reply forms, complaints)
	Managers of the export venture	Costs by division (e.g. salaries, expenses), staff opinions and ideas on effectiveness of processes and technology
	Other divisional managers	Productivity benchmarks, comparative data on performance
	Customized market research	Surveys of customer satisfaction, polling, focus testing, interviews
External	Commercial services	Commissioned market research, customer surveys, comparative research
	Canadian government departments or agencies, e.g. Department of Foreign Affairs and International Trade (DFAIT), Department of Industry (DI)	Market profiles, sectoral studies, sectoral benchmarks
	Periodicals	Country reports, industry surveys, business cases

Barriers

One important consideration to keep in mind are any barriers to information gathering. While information is relatively plentiful in Canada, it may not be as available in the exporter's target market. In setting out its monitoring and information gathering strategy, the firm should consider the following questions.

- Are commercial sources of information such as market research companies available in the target market?
- Are statistics from local governments available? Are they reliable? Can the firm get access to them?

- Are there social barriers such as privacy issues that would affect the company's ability to collect information from its customers or in-country partners?
- Are information-gathering mechanisms such as surveys, focus groups and interviews accepted in the target market?
- What competitive and/or industry information is available for comparative purposes in the target markets?

Application

Finally, the firm must ensure that it is making the best possible use of the information that it is gathering. The following list of questions should be asked.

- Which measurement, reporting and/or control system is the company using? Is it generating all of its information internally? Are there improvements that can be made in this process? Does it need to enhance this with external information?
- How is information being disseminated? Are there improvements that can be made in terms of currency, accuracy or distribution of the information?
- Is the information being sent to the right people? Are these the people who are in a position to use it and act on it?
- Are these people in fact using the information? If so, how?
- Are there improvements that can be made to the way in which information is applied in planning?

Appendix A: Sources of Business Intelligence and Information

The following is a partial list that can be used in identifying possible sources of information that can be tapped to complete the business planning process.

Sources of information about suppliers and/or distributors

- Public financial statements and annual reports
- Periodicals search
- Site visits
- Employee interviews
- Catalogues and printed material
- Internet

Sources of information about customers

- Periodicals search
- Customers directly: market research, market surveys, focus groups
- Competitor customers
- New customers
- Long-standing customers
- Clients they have lost

Information about competitors

- Reverse engineering
- Public financial statements and annual reports
- Periodicals search
- Site visit
- Employees
- Catalogues and printed material
- Internet
- Observation

Sources of Information About the Industry or Sector

- Trade shows
- Conferences
- Associations
- Industry experts
- Consultants
- Brokerage reports
- Credit reports
- Published market research reports
- Internet
- Credit reports

Internal Company Resources

- Sales personnel
- Strategic planning units

Other Resources

- Country experts at the Department of Foreign Affairs and International Trade (DFAIT)
- Canadian trade commissioners in the target market
- Government agencies such as Export Development Corporation (EDC), Canadian International Development Agency (CIDA), Canadian Commercial Corporation (CCC)
- Statistics Canada
- Published market profiles
- Handbooks on doing business in the target market
- Industry experts

Appendix B: Where to Get Help

Department of Foreign Affairs and International Trade (DFAIT)

DFAIT is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can provide copies of specialized export publications and market information to interested companies.

InfoCentre
Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board (IBB):
1-800-628-1581 or (613) 944-1581
Internet: http://www.dfait-maeci.gc.ca

The Latin America and Caribbean Branch promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, as well as in the satellite offices in Monterrey and Guadalajara. Trade commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping to identify suitable Mexican firms to act as agents, and compiling strategic business intelligence on potential foreign customers.

Latin America and Caribbean Branch
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 996-5547
Fax: (613) 996-6142

International Trade Centres

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. The centres operate under the guidance of DFAIT and all have resident trade commissioners. They help companies determine whether or not they are ready to export, assist firms with market research and planning, provide access to government programs designed to promote exports, and arrange for assistance from the trade commissioners in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

Newfoundland	International Trade Centre P.O. Box 8950 Atlantic Place 215 Water Street Suite 504 St. John's, NF A1B 3R9 Tel.: (709) 772-5511 Fax: (709) 772-2373
Prince Edward Island	International Trade Centre P.O. Box 1115 Confederation Court Mall 134 Kent Street Suite 400 Charlottetown, PE C1A 7M8 Tel.: (902) 566-7400 Fax: (902) 566-7450
Nova Scotia	International Trade Centre P.O. Box 940, Station M 1801 Hollis Street Halifax, NS B3J 2V9 Tel.: (902) 426-7540 Fax: (902) 426-2624
New Brunswick	International Trade Centre 1045 Main Street Unit 103 Moncton, NB E1C 1H1 Tel.: (506) 851-6452 Fax: (506) 851-6429

Quebec	International Trade Centre 5 Place Ville-Marie Seventh Floor Montreal, PQ H3B 2G2 Tel.: (514) 496-4636 Fax: (514) 283-8794
Ontario	International Trade Centre Dominion Public Building 1 Front St. West Fourth Floor Toronto, ON M5J 1A4 Tel.: (416) 973-5053 Fax: (416) 973-8161
Manitoba	International Trade Centre P.O. Box 981 330 Portage Avenue Eighth Floor Winnipeg, MB R3C 2V2 Tel.: (204) 983-4540 Fax: (204) 983-2187
Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4th Avenue South Suite 401 Saskatoon, SK S7K 5X2 Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta **Edmonton office is also responsible for Northwest Territories*	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3 Tel.: (403) 495-2944 Fax: (403) 495-4507
	International Trade Centre 510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2 Tel.: (403) 292-6660 Fax: (403) 292-4578
British Columbia **Vancouver office is also responsible for the Yukon*	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1 Tel.: (604) 666-0434 Fax: (604) 666-8330

World Information Network for Exports (WIN Exports)

WIN Exports is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 23,000 Canadian exporters. To register on WIN Exports, call (613) 996-5701, or fax 1-800-667-3802 or (613) 944-1078.

Program for Export Market Development (PEMD)

PEMD is DFAIT's primary export promotion program. It supports a variety of activities to help Canadian companies expand into export markets.

PEMD shares up to 50 percent of eligible expenses. Program financial assistance is a repayable contribution, not a grant, and must be approved in advance. Funded activities include:

- Market Development Strategies, which consist of a package of support for visits, trade fairs, and market support initiatives, under one umbrella of the company's marketing plan.
- New to Exporting Companies, which provides a vehicle for these companies to seek out individual export opportunities, either through a market identification visit or participation in an international trade fair.
- Capital Projects Bidding for specific projects outside Canada involving international competition/formal bidding procedures.
- Trade Association Activities undertaken by non-sales national trade or industry associations on behalf of their member companies.

Support is provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missions to Canada of foreign business persons and officials who can influence export sales. For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance, call the International Trade Centre nearest you.

International Financing

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFIs). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information, contact:

International Financing Division
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 995-7251
Fax: (613) 943-1100

Technology Inflow Program (TIP)

Managed by DFAIT and delivered domestically by the National Research Council, TIP is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. The Department of Industry (DI) also helps in program promotion. TIP officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The Program also helps Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies, as well as how to negotiate to acquire them. For information, call (613) 993-5326.

Investment Development Program

The Investment and Technology Bureau (TID) promotes Canada as an attractive, competitive destination for business investment to potential foreign investors. It actively encourages investments that take the form of new plant and equipment, joint ventures or strategic partnerships. The Bureau is especially interested in attracting investment that introduces new technology into Canada, which is key to creating new jobs and economic opportunities. It also helps Canadian companies to find international investment partners and to access international sources of capital and technologies. TID provides support to the chief executive officers of Canadian subsidiaries of multinationals which are seeking to attract manufacturing and R&D mandates to Canada. It also monitors and analyzes investment trends and perceptions of Canada as an investment site. TID works closely with the "geographic" branches of DFAIT and the investment counsellors at Canadian missions around the world, as well as with provincial and municipal authorities, and professional and business organizations. For more information, contact:

Investment and Technology Bureau (TID)
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 995-4128
Fax: (613) 995-9604

Department of Industry (DI)

DI was created with a broad mandate to make Canada more competitive by fostering the growth of Canadian businesses, by promoting a fair and efficient marketplace for business and consumers, and by encouraging commercial ventures in scientific research and technology. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development; and the improvement in both the productivity and efficiency of industry;
- promote the mobility of goods, services, and factors of production within Canada;
- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the Government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

The regional offices of DI work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information as well as trade and market development. DI also promotes and manages a portfolio of programs and services.

The following are areas in which DI regional offices have special competence:

- access to trade and technology intelligence and expertise;
- entry points to national and international networks;
- industry-sector knowledge base;
- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- client focus on emerging and threshold firms; and
- business intelligence.

For more information, call (613) 941-0222.

Business Service Centre
Department of Industry
235 Queen Street
First Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 952-4782
Fax: (613) 957-7942

NAFTA Information Desk
Department of Industry
235 Queen Street
Fifth Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 952-0540

Canadian International Development Agency (CIDA)

An important possible source of financing for Canadian ventures in Mexico is the special fund available through CIDA under the Industrial Cooperation Program (CIDA/INC). This program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC supports the development of linkages with the private sector in Mexico by encouraging Canadian enterprises to share their skills and experiences with partners in Mexico and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

There are five INC mechanisms that help eligible Canadian firms to conduct studies and that provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs. For more information, contact:

Industrial Cooperation Division
Canadian International Development Agency
200 Promenade du Portage
Hull, PQ K1A 0G4
Tel.: (819) 997-7905/7906
Fax: (819) 953-5024

Atlantic Canada Opportunities Agency (ACOA)

Atlantic Canadian companies seeking to develop exports to Mexico may be eligible for assistance from the ACOA. The Agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

ACOA provides support to businesses as they look to expand existing markets through the development of marketing plans. Efforts include monitoring trade opportunities arising from global economic change, communications efforts to promote the region, trade missions and associated activities, as well as better coordination with federal and provincial bodies that influence trade and investment opportunities. For more information, contact:

Atlantic Canada Opportunities Agency
Blue Cross Centre
644 Main Street
P.O. Box 6051
Moncton, NB E1C 9J8
Tel.: 1-800-561-7862
Fax: (506) 851-7403

Western Economic Diversification Canada (WD)

WD is responsible for federal economic development activities in Western Canada. The Department works in partnership with the western provinces, business, industry associations and communities to stimulate the western Canadian economy.

WD's "New Directions" program will work to enhance the export position of western companies by boosting their competitiveness in domestic and global markets.

The Department no longer provides repayable loans to individual companies, but seeks new innovative partnerships within both the public and private sectors. These partnerships will address the needs of small- and medium-sized enterprises for information, business services and capital, particularly for high growth industries critical to Western Canada's economic diversification.

One of WD's new products focused on export development is the International Trade Personnel Program. This federal-provincial initiative links export-focused western firms with recent post-secondary graduates. The program accomplishes two important socio-economic goals: it gives companies the extra person-power they need to penetrate new markets, and it gives recent graduates valuable work experience. Under the new program, the length of export-development projects may vary from one to three years. Approved projects will be eligible for assistance ranging from $7,500 for one year, to a maximum of $37,500 per graduate over the 3 year period. For more information, contact:

Western Economic Diversification Canada
The Cargill Building
240 Graham Avenue
Suite 712
P.O. Box 777
Winnipeg, MB R3C 2L4
Tel.: (204) 983-4472
Fax: (204) 983-4694

Export Development Corporation (EDC)

EDC is a customer-driven, financial services corporation dedicated to helping Canadian businesses succeed in the global marketplace. EDC provides a wide range of risk management services, including insurance, financing and guarantees to Canadian exporters and their customers around the world.

EDC's products fall into four main categories:

- export credit insurance, covering short- and medium-term credits;
- performance-related guarantees and insurance, providing cover for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for Canadian investments abroad; and
- export financing, providing medium- and long-term export financing to foreign buyers of Canadian goods and services.

EDC has established relationships with leading commercial and public sector institutions in Mexico and Latin America. Exporters can call (613) 598-2860 for more information.

Smaller exporters, with annual export sales under C $1 million, should call the Emerging Exporter Team at 1-800-850-9626.

Exporters in the information technology sector can call EDC's Information Technologies Team at (613) 598-6891.

For information on the full range of EDC services, contact any of the following EDC offices:

Ottawa	Export Development Corporation 151 O'Connor Street Ottawa, ON K1A 1K3 Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	Export Development Corporation One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5 Tel.: (604) 666-6234 Fax: (604) 666-7550

Calgary	Export Development Corporation 510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2 Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg **office also serves Saskatchewan*	Export Development Corporation 330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4 Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	Export Development Corporation National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5 Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Export Development Corporation Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3 Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Export Development Corporation Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3 Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Export Development Corporation Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7 Tel.: (902) 429-0426 Fax: (902) 423-0881

CANADIAN COMMERCIAL CORPORATION (CCC)

The Canadian Commercial Corporation (CCC), a crown corporation, provides Canadian exporters with valuable assistance when they are selling to any foreign government, or to an international organization. In such sales, CCC acts as a prime contractor and guarantor for the sale of Canadian goods and services to the foreign customer.

The CCC certifies the Canadian exporter's financial and technical capabilities and guarantees to the foreign buyer that the terms and conditions of the contract will be met. The CCC's participation in a sale provides Canadian suppliers with the tangible backing of their own government. This enhances their credibility and competitiveness in the eyes of foreign customers, which can often lead to the negotiation of more advantageous contract and payment terms.

The CCC offers a range of useful tools to provide access to specialized markets such as the U.S. Department of Defence. It can also assist exporters in their transactions with foreign private-sector buyers.

The Corporation's services, as well as the credibility it offers, are of particular benefit to Canadian small- and medium-sized enterprises (SMEs), many of whom are less-known internationally. In 1993 to 1994, nearly 70 percent of the Corporation's suppliers were SMEs. The CCC's recently introduced Progress Payment Program will make it easier for SMEs to obtain pre-shipment financing.

The Progress Payment Program was developed in co-operation with Canada's financial institutions. It makes pre-shipment export financing more accessible to small- and medium-sized exporters. The program allows exporters to draw on a special line of credit, established by their principal banker for a particular export sale. In most instances, the borrowing costs will approximate those associated with a typical demand line of credit. The program is available for transactions with foreign-government and private-sector buyers.

This program aims to get the exporter, its bank and the CCC working together to complete a successful export. The process usually is as follows:

- First, CCC will work with the company to determine whether the CCC can participate in the deal. The CCC assesses risks and the structure of the proposed contract. The customer's method of payment must be acceptable to the CCC.

- A positive assessment leads to preapproval by the CCC and the exporter's financial institution for pre-shipment financing. Negotiations can then begin with the customer, within parameters agreed to by the exporter and the CCC.
- The CCC will normally assume the role of prime contractor in the transaction to provide the performance assurance on which progress payment financing is based.
- Once a deal is in place, the CCC will work with the exporter, monitoring progress in completing the contract. The exporter's financial institution will release progress payments according to the progress of the work as well as the incurred project costs.
- The CCC will collect from the exporter's customer and remit payments to its financial institution.

For more information about the CCC, please contact:

Head Office
Canadian Commercial Corporation
50 O'Connor St.,
Eleventh Floor
Ottawa, Ont.
K1A 0S6
Tel.: (613) 996-0034
Fax: (613) 995-2121

Revenue Canada

Revenue Canada, Customs Program Branch provides a NAFTA Help Desk telephone line with service available in Spanish. Revenue Canada publications and customs notices are available by calling or faxing the NAFTA Information Desk. For more information, contact:

NAFTA Spanish Help Desk
Tel.: (613) 941-0965

NAFTA Information Desk
Revenue Canada, Customs Programs Branch
191 Laurier Avenue West
Sixth Floor
Ottawa, ON KIA 0L5
Tel.: 1-800-661-6121, or (613) 941-0965
Fax: (613) 952-0022

National Research Council (NRC)

Canadian companies hoping to succeed in the Mexican marketplace may require additional technology to improve their competitiveness. The NRC works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council manages the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network supports the process of developing, accessing, acquiring, implanting and using technology throughout Canadian industry. IRAP has been in existence for 50 years and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of an extensive network of more than 190 different locations within approximately 90 communities across Canada, including numerous provincial technology centres, the NRC's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. For further information, contact:

Industrial Research Assistance Program
National Research Council
Montreal Road
Building M-55
Ottawa, ON K1A 0R6
Tel.: (613) 993-1770
Fax: (613) 952-1086

Key Contacts in Canada

Sponsoring Organizations

Baker & McKenzie

Baker & McKenzie is one of the largest international law firms with offices in 35 countries. They presently have four offices in Mexico, in the cities of Juárez, Mexico City, Monterrey and Tijuana. In addition to providing legal advice, the firm's offices in Canada and Mexico work to assist Canadian companies to find the right partner to enable them to establish or expand their activities in Mexico. For more information, contact:

Baker & McKenzie
Barristers & Solicitors
BCE Place
181 Bay Street
Suite 2100
Toronto, ON M5J 2T3
Tel.: (416) 865-6910/6903
Fax: (416) 863-6275

Canadian Government Departments and Services in Mexico

Commercial Division
The Embassy of Canada in Mexico

The Commercial Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well-informed about the market and will respond in whatever measures possible to support a Canadian firm's presence in Mexico.

Note: to telephone Mexico City, dial 011-52-5 before the number shown. For contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.

Commercial Division
The Embassy of Canada in Mexico
Schiller No. 529
Apartado Postal 105-05
Col. Polanco
11560 México, D.F.
México
Tel.: 724-7900
Fax: 724-7982

Canadian Consulate
Edificio Kalos, Piso C-1
Local 108-A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
México
Tel.: 344-3200
Fax: 344-3048

Canadian Consulate
Hotel Fiesta Americana
Local 30-A
Aurelio Aceves No. 225
Col. Vallarta Poniente
44110 Guadalajara, Jalisco
México
Tel.: 616-6215
Fax: 615-8665

HELP US TO SERVE YOU BETTER

We are interested in your views on this publication. Please take a few minutes to respond to the questions below.

1. What is your overall opinion of this publication?
   - ☐ **very useful**
   - ☐ **useful**
   - ☐ **moderately useful**
   - ☐ **not useful**

2. Please provide your assessment of each of the following aspects of this publication.

   a) Quality of text discussion (mark one only):
   - ☐ **excellent**
   - ☐ **good**
   - ☐ **fair**
   - ☐ **poor**

   b) Presentation of information (mark one only):
   - ☐ **excellent**
   - ☐ **good**
   - ☐ **fair**
   - ☐ **poor**

   c) Use of graphics and other visual aids (mark one only):
   - ☐ **excellent**
   - ☐ **good**
   - ☐ **fair**
   - ☐ **poor**

3. If this publication were updated, revised and re-issued in the future, would you be interested in receiving a copy?
   - ☐ **yes, very interested**
   - ☐ **probably interested**
   - ☐ **no, not interested**
   - ☐ **not sure**

4. How did you find the structure and format of this publication?
   - ☐ **clear and easy to follow**
   - ☐ **confusing and difficult to follow**

5 For your purposes, did this publication provide a sufficiently complete treatment of the subject(s) reviewed?
   - ☐ **yes, definitely**
   - ☐ **to some extent**
   - ☐ **no**
   - ☐ **can't say/don't know**

6. This publication would have been more useful to me if it had (mark all that apply):
   - ☐ **provided more qualitative information**
   - ☐ **provided less quantitative information**
   - ☐ **made greater use of graphs, charts and tables**
   - ☐ **contained a longer textual discussion**
   - ☐ **contained a shorter textual discussion**
   - ☐ **used more examples, case studies, company profiles**

7. In your opinion, was there important information missing from this publication?
   - ☐ **yes — please specify:**

   ____
   ____
   ____

8. Are there any issues relevant to the subject of this publication that you would like to have seen covered in more detail?

   ____
   ____
   ____

9. Please offer any suggestions for improving the next version of this publication.

   ____
   ____
   ____

10. Will this publication assist you in your business development?
    ☐ **yes** ☐ **no**

11. a) Does your company currently export?
    - ☐ **Yes, go to 11 b)**
    - ☐ **No, go to 11 c)**

    b) If yes, to which foreign markets?
    - ☐ **U.S.A.** ☐ **Europe** ☐ **Japan**
    - ☐ **Mexico** ☐ **Latin America**
    - ☐ **Other (please specify)**______________

    c) If not, are you planning to export within the next 12 months?
    - ☐ **Yes, where?**
    - ☐ **U.S.A.** ☐ **Europe** ☐ **Japan**
    - ☐ **Mexico** ☐ **Latin America**
    - ☐ **Other (please specify)**______________

12. What is the approximate size of your company?
    - ☐ **under $1 million**
    - ☐ **$1 to 5 million**
    - ☐ **$5 and $10 million**
    - ☐ **over $10 million**

To discuss this evaluation may we contact you? If so,

Name: ______________________________

Company: ______________________________

Address: ______________________________

Tel.: ______________ **Fax.:** ______________

Please return the completed survey by fax to (613) 996-6142 or to the address below:

Latin America and Caribbean Branch
Department of Foreign Affairs and International Trade
Lester B. Pearson Bldg., 125 Sussex Drive
Ottawa, Ontario K1A 0G2

Export i MEXICO

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Ministère des Affaires étrangères et du Commerce international
Latin America & Caribbean Branch

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