

## Positioning Yourself to Take the Plunge

**T**o be successful in the new millennium, a company must do business in the new marketplace. The global marketplace. But where, exactly? In which direction should a small or medium-sized environmental company head? What markets could you step into successfully? There are, of course, no easy answers or sure things. But there is sound advice to be had from those who have taken the plunge. One of them is Richard Laughton of Pollutech International Limited, who has participated successfully in trade missions and found new customers in Latin America, who passes on these tips and warnings.

### *Assess your company's readiness*

Before you decide to go international, make sure that your corporate team can afford the time, effort and cost. CIDA Inc., a branch of the Canadian International Development Agency, has a good, basic benchmark: they suggest you should have national revenues of at least \$1,000,000. Barring that, you should be export-ready and able to demonstrate an ability to handle the extra work load and costs. Then take a serious look at the business and determine whether your staff can hold the fort while you or other senior managers are out hunting for international business. Talk to your accountant, bank and business advisor on matters relating to your ability to secure additional financing for international work.

### *Identify a need for your product*

The international marketplace is huge, so identifying where your principal opportunities lie can be a difficult task. Companies have to be proactive. You need to do some upfront research and investigative studies before your company tackles an opportunity. Canada has numerous environmental market-related websites and information clearinghouses that are indispensable in the preparatory stages (see sidebar, page 22). The best information, however, does not come from website searches and literature reviews, it originates directly from local government agencies, Canadian em-

bassies and consulates, discussions with Canadian representatives in international financial institutions (IFIs) and of course people who know (and are located in) any targeted market. Talk to these people in Ottawa, their regional offices, your provincial government agencies, and at the many international trade offices located in Canada's embassies and consulates.

### *Join a trade mission if possible*

Suppliers must understand what a potential new market can offer, how they should best access that market and what level of effort and resources are required.

To this end, it is often very helpful, when you have identified an opportunity, to secure a place on a national or international trade mission. Many executives consider these efforts, in retrospect, the most exciting moments in their effort to open up an international market. The missions often provide the first real exposure to vastly different cultures, languages and business practices, opening the eyes of "new explorers". To find a spot on a mission, talk to your national and provincial government representatives.

Once you are signed up for a mission, remember that you only get out what you put in— active participation is a must. Dozens of executives from small and medium sized businesses have come home disappointed, because they didn't interact with other participants on the mission, or made no attempt to make new contacts. So if you're lucky enough to get on a mission, introduce yourself and, for goodness sake, sell your goods and services.

### *Work with Canadians*

One of the early lessons we learned was that half the Canadians on our trade mission had never heard of Pollutech or didn't know we were interested in international projects. Though it was discouraging at first, this ended up working in our favour. Since the trip, we have gained new opportunities in Canada as well as abroad, and a place on many international teams bidding on new opportunities.

## KEY SOURCES OF BUSINESS INTELLIGENCE

*Before you take your company on the road to Latin America, or for that matter anywhere outside Canada, let your fingers and eyes do some wandering. Here are a few way-stations you should check out:*

### **Industry Canada**

Home page is <http://www.ic.gc.ca>.

Industry Canada's Environmental Affairs Branch offers the Market Information System, a service where registered members can receive customized e-mail on business opportunities around the world. The Service Industries and Capital Projects Branch hosts the site "Take a World View...Export Your Services" (<http://strategis.ic.gc.ca/SSG/sc01071e.html>). This is a comprehensive information site for service exporters, aimed at enhancing their chances for success in foreign markets. Another would be the "International Project Development Roadmap" site (<http://strategis.ic.gc.ca/SSG/cc0127e.html>). In order to help existing and future Canadian exporters, the government of Canada (Industry Canada), following numerous consultations with exporters all over Canada decided to support and facilitate the understanding of the various stages/steps required to forward an infrastructure project.

As well, Industry Canada's Service Industries and Capital Projects Branch offers Steps to Competitiveness, a management and diagnostic tool to enable users to begin a process of strategic thinking necessary to compete effectively in this era of increasing globalization.

### **Government-Industry Partnerships**

The Environmental Industry Virtual Office (<http://VirtualOffice.ic.gc.ca/>), a

If you are with an SME, it is unlikely that you will have to set up a foreign operation to secure your first international project. Instead, you will probably find yourself a niche as a sub-contractor to a larger or more experienced Canadian partner. When that happens, keep your eyes and ears open and learn from the masters. If, as a result of the mission, you happen to land a good project in Canada and some new Canadian contacts too, that's a bonus.

### **Find a local partner**

Like us, you will soon find opportunities

unique partnership between all levels of government, industry, academia and associations, designed to provide direct client service and interactivity between the client and the Virtual Office's partners.

The Canadian Business Environmental Performance Office (<http://virtualoffice.ic.gc.ca/BEPO/>) provides a one-stop information service for all Canadian industries to improve environmental performance.

### **International Financial Organizations**

International financial institutions (IFIs) also offer vast amounts of information, about their administration as well as specific countries and projects. Major sites include:

World Bank (<http://www.worldbank.org>)  
Inter American Development Bank (<http://www.iadb.org/>),

African Development Bank (<http://www.afdb.org/home.html>), and  
Asian Development Bank (<http://www.adb.org/>).

There are numerous related international sites such as:

European Bank for Reconstruction and Development (EBRD - <http://www.ebrd.com/>)  
World Bank's International Finance Corporation (<http://www.ifc.org/>)  
UN (<http://www.un.org/>).

### **International Job Opportunities**

Canada's online bidding service has a free-standing International Opportunities listing (<http://www.merx.cebra.com>). There are listings at special sites such as DFAIT's (<http://www.dfait-maeci.gc.ca/english/trade/>) and at IFI sites. The DFAIT site for IFI Procurement and Capital Projects Opportunities (IFInet—<http://www.dfait-maeci.gc.ca/ifinet/menu-e.asp>) where a

to partner with other international firms or work with local companies established in the area. Our approach is always to seek out a local partner who thinks like us, acts like us and knows the culture, language and contacts of the host country. Canadian SMEs bring specialized services or packages of goods that can make a local company more successful and therefore interested in establishing a partnership.

A "Strategic Alliance Agreement" is what you need to start the ball rolling, not your own local office, which you probably couldn't afford yet anyway. Be sure your

password is required. For American opportunities (where you could undertake to represent a US company's goods or services here in Canada), the Canadian Commercial Corporation has a new listing that you can find at <http://209.82.43.25/index.html>.

### **Market Intelligence on South America –**

Canadian DFAIT Market reports -

<http://exportsource.gc.ca>

US DOE Market reports

<http://infoserv2.ita.doc.gov/ete>

PORT of Entry -

<http://www.portofentry.com/>

Pollutech's website at [www.pollutech.com](http://www.pollutech.com)

### **Latin America Networks**

Latin America Network Information Center <http://lanic.utexas.edu/>

Organization of American States – Trade Unit <http://www.sice.oas.org/>

[www.exporthotline.com](http://www.exporthotline.com)

[www.latinet.com](http://www.latinet.com)

[www.americascanada.org](http://www.americascanada.org)

[www.latintrade.com](http://www.latintrade.com)

[www.latinolink.com](http://www.latinolink.com)

[www.latinexpo.com](http://www.latinexpo.com)

[www.latinworld.com](http://www.latinworld.com)

[www.latinmarkets.com](http://www.latinmarkets.com)

[www.latinexport.com](http://www.latinexport.com)

[www.latinamerica.com](http://www.latinamerica.com)

Business Americas [www.bnamericas.com](http://www.bnamericas.com)

Free Trade Area of the Americas [http://www.ftaa-alca.org/alca\\_e.asp](http://www.ftaa-alca.org/alca_e.asp)

UN Economic Commission on Latin America and the Caribbean [www.eclac.org](http://www.eclac.org)

DFAIT International Business Opportunities Centre [www.dfait-maeci.gc.ca/iboc-coai/](http://www.dfait-maeci.gc.ca/iboc-coai/)

World Trade Organization [www.wto.org](http://www.wto.org)

Canadian International Development

Agency CIDA-<http://www.acdi-cida.gc.ca>

agreement is sound, protects your intellectual property and interests, and allows both sides to exit the agreement should problems arise down the road.

Once a solid partnership is established, you are ready to work more closely with Canadian trade officers in the region and your new partner to review serious opportunities. When you head home, your partner's task is to keep identifying and pinning down project opportunities while you, for example, modify your technology to meet local needs, begin to arrange any necessary financing through CIDA Inc. or work out

longer term agreements with the Export Development Corporation (EDC - <http://www.edc.ca/>) or the Canadian Commercial Corporation (CCC - <http://www.ccc.ca/>).

### ***Identify your competition***

Another important lesson for Canadians who want to work internationally is that the world loves Canadians, but Canadians don't always love each other. You may end up on a trade mission with one of your biggest Canadian competitors, but remember that you are both Canadians and now the competition is not between you two but the rival Americans, Swiss, Germans, Italians, Spanish and so on. Don't get caught in the sort of trap where five Canadian firms slug it out as independent bidders leaving a pile of exhausted Canadians on the floor, while the Germans walk away with the project. Form a Canadian team and go after the project, knowing that 25% or 50% of an international project is better than no project at all. For more information on this aspect of international competition, see "Building Effective Consortia—Options, Obstacles and Obligations" at the Pollutech website: <http://www.pollutech.com/presentations/ecc.exe>

### ***Market your firm***

There are numerous ways to market your firm, telling people who you are and what you do. We believe the Internet should be an integral part of all international marketing efforts, because it has proved an easy and reliable method for us to get our message to millions of interested visitors and correspondents. The Pollutech website receives over 1,000 hits a day. Our success on the Internet speaks for itself. Major corporations such as Coca-Cola, SONY, and American National Bank have found our website and contacted us—indeed, most of our valuable contracts with private companies and agencies come from requests in response to website visits. This is the topic of a presentation on the use of e-commerce for international project opportunities Pollutech, prepared for Industry Canada and found at our website (<http://www.pollutech.com/ecommerce/>).

To supplement your Internet marketing and research efforts, make sure your company is listed in key supplier databases such as WIN EXPORTS <http://www.infoexport.gc.ca/winexports/menu->

[e.asp](http://www.infoexport.gc.ca/winexports/menu-e.asp), and join associations that can introduce you to them, such as the Canadian Environmental Industry Association (CEIA National - <http://www.ceiacie.ca>, and associated provincial organizations) and the Alliance of Manufacturers and Exporters (<http://www.thealliance.com/>).

It is important to remember, however, that it is interaction, committee participation and networking between members, not just the freedom to surf websites, that makes association membership worthwhile and a valuable business support. Get to know the people who run your association and members who have already gone down the sort of path you're on—and attend their workshops on international trade opportunities.

There are other key contacts. Many of those we find most helpful are trade officers in embassies and consulates in our targeted export markets. These people are there to help you and me,—to promote Canadians who offer services to international clients. You can track them down in the federal department of foreign affairs (DFAIT), at the website - <http://www.infoexport.gc.ca/>. Pollutech routinely sends e-mail messages to these people, advising them of our areas of expertise, mentioning the types of projects we are interested in and discussing project opportunities that have been brought to our attention. Have your plan in place before you contact these groups.

### ***Be persistent***

How do you keep the foreign marketing effort going? The simple answer is persistence. Once you get started, you may well find, as we have, that the search for foreign contracts is addictive and you can't stop. Some people, however, just don't have the stubbornness and energy they need to keep going, to stick with it. What's required, for example, is an ongoing effort to keep up-to-date with everything posted on the key websites, to meet and communicate regularly with the trade officers, and to take an active role in the associations and committees that link you to international opportunities. If you don't have the time, interest or stamina to keep at it, don't start—it will be a disheartening experience.

Once your research and networking turn up a good lead, the next task is to secure the project. The expertise of trade officers and agencies can help you enor-

mously with this. For example, the Export Development Corporation (EDC - <http://www.edc.ca/>) can help you with financing, equity investments, credit insurance and special services for small and medium-sized enterprises. The Canadian Commercial Corporation (CCC - <http://www.ccc.ca/>) can guide you through contract preparation, arranging government-to-government guarantees, and (if the project is in the US) direct contracts with US government agencies. Visit their websites and learn what services they offer, then arrange to meet your representative in Ottawa or a regional office.

Your specific sector will have a designated contact within Industry Canada—(<http://www.ic.gc.ca>), which Pollutech has found to be one of the most valuable resources. If you are bidding for a contract in a developing country, you might also contact the appropriate Regional Program Manager in CIDA Inc. (<http://www.acdi-cida.gc.ca>) and learn about their Investment, Professional Services and Capital Projects programs. If what you find there is of interest, make the effort to attend the International Cooperation days organized jointly by CIDA and the Alliance of Manufacturers and Exporters, in Ottawa and sometimes regional locations.

### ***Get paid***

Getting paid for the work you do is, of course, a necessary part of all successful international ventures. It is not, however, a given—just ask some of the big firms who have lost fortunes because of political instability, bribery and corruption, or just plain bad debts on international projects.

To avoid losing your investment, learn all you can about the Export Development Corporation's Export Credit Insurance (<http://www.edc.ca/solutions/insurance.html>) and the Canadian Commercial Corporation's Progress Payment Program (<http://www.ccc.ca/progress.htm>). Then make sure that you have secure international payment arrangements worked out before you undertake any work or provide any goods. Pollutech always looks for pre-payment or a retainer fee, when we don't know the client.

Your hard work up front, the steps you take to prepare your firm, and your persistence and smarts as you seal international deals and get paid for your work will add up, at the end of the day, to success, satisfaction and new prosperity for your company.

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