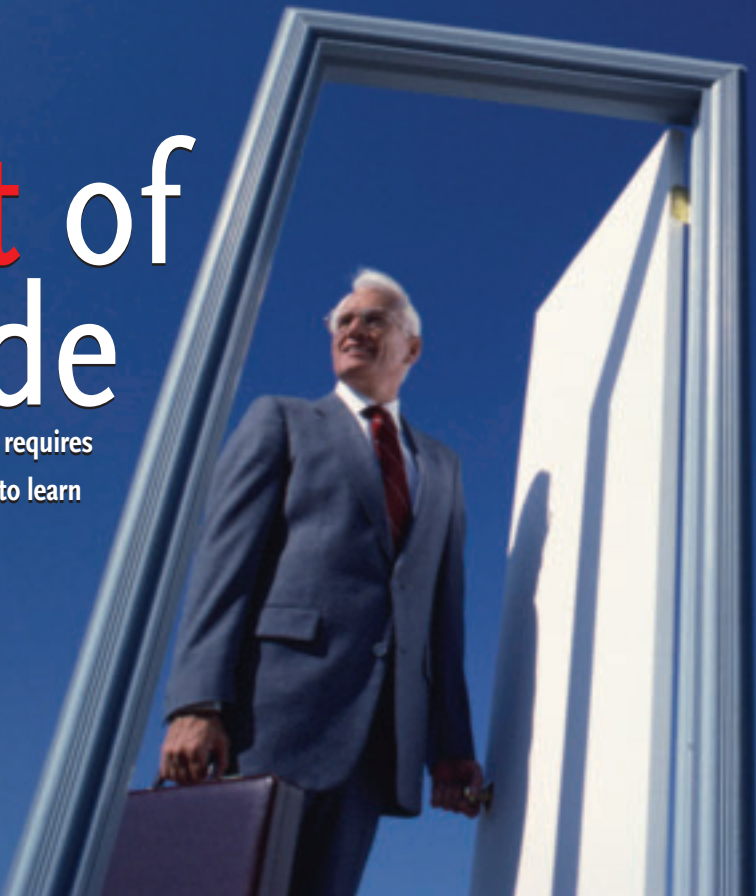


The Art of the trade

Getting the most out of trade missions requires diplomacy, flexibility and a willingness to learn

BY HÉLÈNA KATZ



IT looked like a hot lead generated on a trade mission. At a meeting a few months later, the potential client offered ideas on how the two companies could work together. Then another meeting followed. “I thought ‘Hallelujah, this is going to be great,’” recalls Lorne Goodman, general manager of the Saint John, N.B.-based Crosby Molasses Company Ltd. “I got back [to the office] and they wouldn’t answer their phones. They were wanting to be social and had no interest [in doing business together].”

What businesspeople like Goodman eventually figure out is that trade missions can be like dating for the business set. You try to figure out whom you want to meet and how to capture their interest. Once you’ve met, you follow up if you think there are possibilities for a relationship. Eventually, the players involved decide whether or not to clinch the deal and do business together. Sometimes the interest between the two players is clear, but occasionally cultural differences lead to mixed signals and misunderstandings.

“At the end of the day, developing business is pretty simple, but you need to understand the person you’re doing business with,” says Charlottetown, P.E.I.-based Ann Worth, an export consultant and former executive director of the Atlantic Canada Food Export Partnership. “The problem is that without knowing the cultural nuances of a market, you

can offend a client, or not understand why things are not moving at the pace it would in North America.”

Trade missions typically bring together six to 12 different companies, giving participants an opportunity to familiarize themselves with a potential market and its culture, assess trade opportunities, conduct competitive analysis and make key contacts. “We know there are opportunities out there, but it’s hard to find them from sitting in an office in Saint John, New Brunswick,” says Goodman, who has participated in trade missions to Europe, New York, Miami and the Caribbean.

Worth explains that in each trade mission there is a mission leader to handle the co-ordination and logistics involved, taking some of the stress off participants. “Those things can be daunting in a strange environment, especially when it’s your first time,” she says. “When you have someone looking after that, you can focus on the business at hand and not be sidetracked with details like what’s the distance between point A and point B.” Activities vary on trade missions, but often they include a group orientation to the market, individual meetings with key potential customers, a business lunch or breakfast with government trade officials, and industry-specific tours to stores, ports or distribution points to educate Canadian companies about how the supply

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channels work. Sometimes trade missions are planned around trade shows “so you get a bit of extra bang for your buck,” says Worth. “When there’s a trade show happening you have key decision makers under one roof, which gives you a good snapshot” of the market.

Being able to meet potential clients face-to-face is an important advantage of trade missions says Sylvain Dufour, vice-president of Sales and Marketing for Notre-Dame de Lourdes, Que.-based cranberry processor Fruit d’Or. “Even if the Internet and phone exist, people still like the personal approach to be able to put a face to a name and see that we’re all the same,” he says. Fruit d’Or now exports to about 25 countries, including South Africa, Mexico, New Zealand, Australia, Brazil, Israel and in Europe and Asia.

In addition, networking happens with more than just trade officials and potential customers. According to Goodman, other Canadian mission participants who are already successfully exporting are a good resource. “Often times you may have a particular question about a particular market and you can actually call these other companies in Canada who aren’t competitors and don’t mind sharing expertise.” Dufour finds other Canadian companies can also be potential clients. “I’ve recruited a client from Vancouver

who had gone to sell his product to China,” he explains. “They made a product with cranberries in it and this increased the Canadian content of his product.” But, says Goodman, it can sometimes be hard to meet the particular needs of each participant on a group trip, something he realized while attending the ANUGA trade show in Cologne, Germany. “We were like cattle being herded through massive pavilions,” he recalls. “After a while I figured out that I had to break off from the group and do my own exploration, because what was of interest to one person might not be of interest to me.”

At \$10,000 to \$20,000 a pop, including the costs of travel and accommodations, trade missions aren’t cheap. Government subsidies covering about half the costs made it feasible for the Crosby Molasses Company to participate, and, admits Goodman, “it’s probably not something we would’ve done ourselves without financial incentives.” Because of this, making the most of the investment means doing your homework before hitting the road. “Probably the most important factor to making a mission successful is knowing why you’re going there,” says Goodman. “If it’s strictly educational that’s one thing; if you’re planning to sell something, that’s something else.”

Goodman recommends researching the market, the distributors in that area and how to capture their interest, before you travel. “I see some people who are looking at a blank page when getting on the plane,” he says. “They have no particular information about the area. For those companies, the benefits [of the trade mission] are minimized.” Dufour agrees: “You have to know who the big players are,” he

says. He makes a scouting mission to a market before jumping in and trying to make deals. “I never get into a market without having seen it.”

On the ground, first impressions do matter. “Present an accurate image of what your business is about,” says Dufour. “Even if you’ve won awards, 99.9 per cent of the time we’re unknowns to the people we’re approaching.” And, advises Worth, be prepared to tell the story of your company in about three minutes. This includes why the potential customers should do business with you, what your domestic business is like, the number of clients you have and references. “You have to be comfortable telling the story of your business enthusiastically,” says Worth. “It’s not just telling your story but also understanding their needs. Listening and understanding what foreign buyers are looking for.”

Dufour reviews his list of prospects with Canadian government trade officials after a trade show to identify which ones are a priority. “When General Mills or Kraft knocks on my door, I know who it is,” he says. “In Japan I don’t know who is big or small, who is serious or not.” It’s also hard to recognize which potential customers are



reputable and likely to pay up – and which ones aren't. That's where Canadian representatives working in the local area can help. "Without that, we would be shooting blind," says Goodman.

No matter which way you slice it trade missions are no picnic. Goodman dispels the notion that they're a nice break from the office. "It's not a subsidized holiday," he says. "You have to work hard at these things, asking questions no matter how dumb it may seem and trying to learn while you're there." You're also constantly on the lookout for opportunities. "On a mission you always have to be looking for someone who can contribute to your business."

The real work to nail down an order starts when participants return home from the mission. It's also where some companies fail. "Close the loop with potential clients," says Worth. "If you've decided it's not for you, be professional." She also cautions that managing expectations is important. "Export sales don't typically happen overnight. It always takes longer than you expect by virtue of geography, communication, distance and currency fluctuations." And sometimes it just doesn't pan out. "You talk to them face-to-face and think you have a hot lead," says Goodman. "Then you get back to the office and the lead doesn't seem so hot. In some cultures yes doesn't really mean yes. It sometimes means no."

For Dufour, signing the first contract with a new cus-

tomers isn't as important as generating ongoing business from them. "Success is measured by repeat customers," he says. "It's easier to get on a store shelf than to stay there." Noting that his company has more than 150 clients around the world, Dufour adds, "those are 150 clients I have to take care of. When I start working with a client, my first question is 'What is the potential for repeat business?' I need to know how often they will come back so that I can plan for it."

Building relationships is particularly important to companies in countries such as Japan. "We're in business together, but for them it's like we're married," explains Dufour. "They don't ask me how I can solve a problem, but rather how can we solve a problem." Another plus to developing a solid relationship with foreign distributors is that it can pay off in more than loyalty and repeat sales. "We will work with our partners to develop products for that market," says Dufour. "Since we don't have big budgets, they're our eyes and ears of what trends are in that market."

Finally, says Goodman, companies must realize that when it comes right down to it, despite cultural differences, doing business globally is not so different than doing business in Canada. "We may be thinking that Canada is different, but everywhere you go they talk the same talk, walk the same walk. You could put them in Toronto and they'd be right at home," he says. "The business issues are the same. If I was trying to sell my product in Barbados, they'd ask me the same questions as anywhere else." FC



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