HOW TO SUCCEED IN FOREIGN MARKETS

A GUIDE FOR ENTREPRENEURS

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Canada

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INTRODUCTION

You've decided it's time to expand your business to international markets. Perhaps you want to diversify your customer base, or your sales are slowing down at home. Or maybe you want to capitalize on some opportunities outside Canada.

Whatever your motivation, the fact is international expansion can boost your sales, spur innovation and make your company a stronger competitor at home.

"Expanding abroad is an important opportunity, but it's also a necessity," says Carl Gravel, BDC's Director of Global Expansion. "If you don't look beyond Canada, you may lose your competitive edge to other companies that do.

"And your foreign competitors aren't waiting. They're already expanding into your backyard."

Many issues to consider

Still, it's understandable if you're hesitating before taking the plunge into exporting or setting up operations abroad. You're probably concerned about the risks—and rightly so. There are many issues to ponder. Is your company ready to expand abroad? How do you choose the right markets? What does it take to beat the competition and get established in a market?

These are common questions. And too often they go unanswered, even by entrepreneurs who have already embarked on an international expansion venture. That's because business owners tend to be driven by a desire to make fast sales and often don't take the time to carefully prepare and execute their project. The result can be costly failure due to poor planning, execution and follow-up.

Risks are manageable

There is another way. You can adopt a systematic approach to taking your business international, managing the risks and putting the best chances of success on your side.

"Many entrepreneurs see immense risks, and that makes them hesitate," says Gravel, whose team at BDC provides consulting and financing services to companies expanding abroad. "Yes, there are risks, but you can manage them."

The other good news: International opportunities are growing for Canadian entrepreneurs, thanks to a stronger world economy, falling trade barriers and advances in global logistics and telecommunications.

A step-by-step guide

This eBook is your step-by-step guide to seizing these opportunities. It's for entrepreneurs like you who are thinking about expanding internationally or are seeking to improve the results of an existing foreign venture.

It covers everything from how to make sure your company is ready to choosing the best markets for your business. It also discusses such crucial matters as how to find local partners and plan and execute your market entry strategy. And it explains why it's vital to follow up on your expansion to make sure it stays on track.

Along the way, you will read the stories of outstanding Canadian entrepreneurs who have successfully expanded their companies abroad and are willing to share the lessons they've learned with you.

Going abroad can be challenging for anyone. But with the proper advice and preparation, you can do it. Tens of thousands of entrepreneurs just like you are proving it every day. Your reward will be a stronger, more competitive and more profitable business.

1 GET READY FOR INTERNATIONAL EXPANSION

Many Canadian entrepreneurs embark on an international expansion only to experience poor returns. One of the most common mistakes is poor preparation and planning.

Elana Rosenfeld, co-founder and CEO of Kicking Horse Coffee, admits she learned the hard way about the importance of preparation in international ventures. Kicking Horse Coffee's initial attempt to expand into the U.S. a few years ago was unsuccessful because of a lack of planning.

"We were certainly not strategic about it," Rosenfeld says. "We learned quickly that the U.S. market is very different than the Canadian market. It's like entering 50 different countries."

We learned quickly that the U.S. market is very different than the Canadian market. It's like entering 50 different countries.

ELANA ROSENFELD, KICKING HORSE COFFEE

Kicking Horse Coffee has gone from operating out of a garage almost 20 years ago to Canada's number-one seller of organic fair trade coffee, with 75 employees and a 5,500-square-metre coffee roasting plant in the picturesque Rocky Mountain community of Invermere, B.C.

A second, better planned drive into the U.S. is paying big dividends for Kicking Horse Coffee.

"It's a big undertaking. You need to have a strong strategy and enough financial resources because it can take years to build and market a business in another country," Rosenfeld says.

8 steps to get ready for foreign markets

If you've decided it's time to export or set up operations abroad, it's critical to first step back and make sure your business is ready. Here are eight steps to follow.

1. **Decide why**—Ask yourself why you want to expand to foreign markets. Be sure it's part of a carefully thought-out growth strategy. Many expansions fail because they started from a chance contact at a trade show or a request received via the Internet, but didn't match the company's goals or capacities.

   Analyze what value an expansion can bring. Have an internal discussion about your goals and overall business strategy. Good reasons for going global can include diversification, pursuing growth, innovation and market leadership, and creating synergies with current operations.

2. **Get team buy-in**—Be sure your team and stakeholders are on board for a long-term commitment to your project. Developing a market often requires more time and resources than companies expect. If owners, senior managers, bankers and key suppliers aren't all on board, your commitment may fade, jeopardizing the venture.

3. **Do an internal check-up**—Take a close look at your readiness, including an evaluation of your current resources, strengths and weaknesses. Make sure your company's fundamentals are strong, including financial management, sales and marketing processes, innovation strategy and operational efficiency.

   The last one—ensuring your operations are lean—is especially important, BDC's Carl Gravel says. "If there is still work to be done on productivity, it's better to do it before you start exporting."

4. **Line up financing**—Be sure you have the financial capacity to stay the course until sales start rolling in. Insufficient financial resources are a common problem in international expansions and can have a serious impact on your entire company.

   Start-up costs in foreign ventures are often higher than planned, while revenues are lower. For example, payment terms are often longer in foreign transactions than in Canada.

Avoid the common mistake of using your everyday cash to finance your international project instead of getting a business loan to cover expenses. The consequences can be an unexpected cash squeeze and a last-minute scramble for financing, which won't impress lenders and may lead to unfavourable terms.

It's best to speak to your bank beforehand about your financing needs to avoid unpleasant surprises and get optimal terms. Gravel encourages entrepreneurs to finance an expansion in a way that maximizes repayment flexibility and minimizes risk.

In cases where your venture involves the acquisition of a foreign business, consider seeking financing for the purchase from the existing owner. Vendor financing often comes with a reasonable interest rate, flexible repayment terms and no personal guarantees. Another option is mezzanine financing, which is a debt product that features flexible terms and usually requires limited or no personal guarantees.

5. **Research risk insurance options**—Expanding into foreign markets can involve credit, political and currency risks. These include non-payment by a foreign buyer, expropriation of your assets by a foreign government and fluctuation in the value of the Canadian dollar relative to the target market's currency.

   Insurance is available to help Canadian exporters mitigate these risks. It may also help you to get additional working capital from your financial institution to support your export expansion.

   "Most banks require some added comfort before lending against foreign receivables," says Stephen Callaghan, Regional Vice President for Ontario at Export Development Canada (EDC). "Credit insurance can help you increase the amount of working capital offered by your bank. It also lets you get into new customer relationships with comfort."

   It's important to research your credit insurance options early in your expansion efforts, Callaghan says. Credit insurance and other insurance products such as political risk insurance could allow you to consider a target market that otherwise wouldn't be an option due, for example, to political uncertainty or the perceived risk of not getting paid.

Being aware of your insurance options early on can also help you in contract negotiations with foreign partners. For example, EDC can provide your bank with guarantees to support performance bonding obligations, which are quite common in international markets.

EDC offers a variety of insurance and guarantee products that cover credit, political and currency risks for exporters.

6. **Work on your soft skills**—Take time to hone your soft skills—your patience, communications skills and manners. These are important for building trust with foreign partners and helping you to adapt to another business culture.

   Don't forget to capitalize on your team's immigration background, cultural links, language skills and international experience.

7. **Appoint and reward a project manager**—Assign a senior member of your team to oversee your expansion project, and compensate that person, in part, based on the performance of the venture. This person or team will monitor all departments for deliverables, cultivate long-term relationships with foreign partners and be held accountable for the project's success.

8. **Don't wait too long**—Avoid the mistake of waiting until your product is "Canada-perfect" before you consider exporting. Your international competitors won't wait for you before expanding onto your home turf. Besides, experiences gained from an international venture could help you improve your offerings both at home and abroad.

2 SELECT THE BEST MARKETS

Where should you focus your efforts when expanding abroad? Surprisingly, many companies don't study this question very carefully before plunging ahead. But it's crucial to your success to be strategic, not reactive.

Companies sometimes make the mistake of trying to expand into many markets at the same time, says Susan Bincoletto, Canada's Chief Trade Commissioner and Assistant Deputy Minister in the Department of Foreign Affairs, Trade and Development.

"Entrepreneurs often underestimate the need to focus their efforts on markets that offer the most potential for their particular product or service," Bincoletto says. "Many pursue multiple leads in different countries simultaneously, sometimes exhausting their limited resources in the process."

It's important to do your homework to select the most appropriate markets for you and focus your efforts on a small number that are best suited to your business. "You may not be able to conquer the world, but you can take ownership of a large market," says BDC's Carl Gravel.

Be disciplined

At Kicking Horse Coffee, Elana Rosenfeld agrees. After her initial unsuccessful attempt to crack the U.S. market, she decided to take a more methodical approach. She hired a vice president of sales to oversee the project and develop a strategic plan. She also allocated a substantial budget, covering a three year roll-out.

The company focused on an initial target market: the U.S. West Coast, where there's a strong coffee culture.

"You need to be very focused and disciplined because there are a lot of opportunities and distractions in international markets," Rosenfeld says. "That can be a downfall for a lot of entrepreneurs."

Kicking Horse Coffee also targeted smaller retailers and reduced the size of its packaging to hit a price point that would appeal to American consumers who are used to paying less for premium coffee than Canadians.

The strategy is succeeding, with the coffee already available in 400 U.S. outlets. "Ask a lot of questions before going in, and get plenty of advice," Rosenfeld advises other entrepreneurs. "Get as much help as you can."

Watch our video for more tips from Elana Rosenfeld on expanding to the U.S.

6 tips for choosing your target market

Here are six tips on how to choose the best markets to expand your business.

1. **Create a long list**—First, identify an initial pool of 5 to 10 promising regions or countries that appear well suited to your goals, products and capabilities.
2. **Narrow down the list**—Next, get more detailed information about each market and narrow down your choices. Consider such questions as setup costs, the tax and regulatory climate, competition, labour availability, shipping costs and insurance needs. If you're considering a larger country, such as the U.S., Brazil or China, it may make sense to narrow your focus even more to specific regions in the country.
3. **Take advantage of federal and other government resources**—For help with finding target markets, check with Canadian government organizations that assist exporters, such as the Canadian Trade Commissioner Service and Export Development Canada. Other good sources of information include United Nations trade data and local chambers of commerce in the country.
4. **Consult your customers**—Check if your customers have affiliates in other countries or are otherwise active abroad. You may be able to piggyback on your existing relationship to sell to an affiliate.

5. **Consider trade shows**—International trade shows can be a good way to learn about potential markets, gain contacts and get feedback on your plans. Trade shows are held in various countries for specific industries or markets, including in Canada.
6. **Take a second look**—Remember the importance of saying no to expansion opportunities that aren't in line with your strategy. Avoid losing focus and spreading your resources too thinly.

Build a knowledge base

Lori Kennedy knew her company, Louisbourg Seafoods, needed to diversify when the last recession hurt U.S. sales of the company's lobster, snow crab, shrimp and other award-winning products.

"In a downturn, people aren't rushing out to buy seafood when they're losing their home," says Kennedy, who started Louisbourg Seafoods with husband James in Nova Scotia's Cape Breton in 1984. They now have 500 employees and $60 million in annual sales.

The Kennedys decided to diversify beyond North America. They homed in on specific target markets by attending trade shows in Canada and the U.S. that attract seafood distributors from around the world.

The trade shows gave them invaluable market insights, first-hand feedback on their plans and contacts for possible deals. The research helped them to focus their efforts on several promising markets, such as Britain and Denmark (which today account for 10% of sales), along with China and India (where they're now implementing a market entry plan).

"It's important to go to these events and sit down and talk to people," Lori Kennedy says. "It's all about networking and building a knowledge base."

Markets with potential

Be sure to consider target markets that offer high growth potential or competitive advantages for your business. Here are some examples.

- **Free trade zones and Canada's priority markets**—Look at markets where Canada has concluded, or is close to concluding, free trade agreements, such as the European Union and South Korea. Also think about the 80 countries and regions that Canada has identified as priority markets, offering opportunities for Canadian businesses because of their strong growth or other advantages.

"The federal government is putting a lot of resources into these areas, and it's doing so for a reason," says EDC's Stephen Callaghan. "They're markets that present a lot of opportunities for Canadian businesses."

Susan Bincoletto, Canada's Chief Trade Commissioner, agrees. "Our objective is to translate the successes we've achieved in trade negotiations into victories for Canadian companies abroad."

- **United States**—Don't neglect the U.S. as a possible expansion target. Its economy is rebounding, and its cultural similarities make entry easier than in many other countries. However, don't underestimate differences in laws and consumer tastes between the U.S. and Canada as well as between U.S. regions.
- **Online exports**—Online sales are exploding and offer entrepreneurs a relatively inexpensive way to compete internationally with much larger companies. For more information, download BDC's free eBook Succeed With E-Commerce: A Guide for Entrepreneurs.
- **International supply chains**—Going international doesn't always mean exporting or going abroad yourself. It can also involve selling domestically to multinationals operating in Canada.

3 MARKET ENTRY PLAN, EXECUTION AND FOLLOW-UP

MARKET ENTRY PLAN

Once you've chosen a target market, your next step is to create a market entry plan. Start by researching the following areas:

- competition in your target markets;
- any needed customization of your product or service;
- pricing;
- packaging;
- suppliers;
- distribution options (including potential local sales agents, distributors and other partners);
- immigration rules for any Canadian personnel who will work in the target country (if applicable);
- labour issues (if hiring local employees);
- taxes, regulatory issues, standards compliance and international certification requirements (including labelling);
- cultural differences (including differences in negotiating styles, etiquette and body language);
- credit, political and currency risks relevant to your venture and insurance options;
- shipping, customs and other logistics considerations (including insurance for products in transit);
- tariffs and non-tariff barriers (e.g. quotas, licensing requirements and sanctions); and
- Canadian export reporting requirements and rules on controlled exports.

Use your research to create a plan for how to enter your target market, addressing each of the points above. It should also spell out how you will actually start selling.

Expansion options

Your best option depends on the country, your industry and your capacities. Here are your possibilities.

1. **Direct exporting**—You can sell and ship directly to buyers in your target market. This option may work well for e-commerce exporters and those who are targeting markets where the consumer culture is similar to Canada's. If you're selling services, your personnel would travel to the target country to do the work.
2. **Using a local intermediary**—You can engage a local sales agent who is paid on commission to sell your product to wholesalers, retailers and/or end users. Alternatively, you can use a distributor, who buys your product outright and then sells it to end customers. For services, you can hire a local intermediary to sell your services, then send personnel to the country to deliver the services.
3. **Subcontracting**—You can hire a local subcontractor to manufacture your products or offer your services.
4. **Foreign direct investment**—As you become more sophisticated, you may want to establish a more permanent presence in the target country. You can do this by making an investment in the country. This can take a variety of forms, including opening a branch office to handle local sales; opening an affiliate or subsidiary; acquiring or merging with a company; or forming a joint venture with a foreign company.

   A foreign investment may help you serve local customers better and give you access to local government incentives for foreign investors, such as tax or duty benefits.

Other considerations

In addition, your market entry plan should include the following:

- a budget for your venture (including specifics on how you will finance various stages of the expansion and insure yourself against risks);
- an implementation schedule; and
- details on who is responsible for various tasks.

To conduct your research and prepare your market entry plan, it can be helpful to consult an outside expert with solid knowledge about international expansion. A consultant can save you a lot of time and resources in preparing your entry plan.

“Doing proper preparation will help you open doors in the target country,” BDC’s Carl Gravel says. “Partners will be impressed that you’ve done your homework and will be more likely to talk with you, partly because they will be afraid you might go to their competitors.”

Sales don’t happen overnight

At Louisbourg Seafoods in Cape Breton, Lori Kennedy decided to create a market entry plan to guide her company’s foray into China and India.

Without a plan, she knew it would be hard to understand how to market to Chinese and Indian consumers, who have different tastes in seafood than Canadian and American customers.

“You can’t just hop on a plane and start selling,” Kennedy says. “It doesn’t happen overnight. You have to build relationships through a lot of face-to-face meetings. It’s an investment, but it must be done.”

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LORI KENNEDY, LOUISBOURG SEAFOODS

Kennedy and her husband James turned to BDC’s Global Expansion team to help prepare the plan and also started cultivating relationships with potential partners to learn more about their target market.

As part of this outreach, they hired chefs with expertise in Asia who introduced them to distributors and explained how local markets work. “They know what fish people like and dislike,” Lori Kennedy says.

The company is now working with one of the chefs on a TV mini-series to air in China that will feature Louisbourg’s products. They hope to start exporting to China in 2016.

Use trade associations

As part of your research on target markets, it can be useful to consult industry trade associations and bilateral trade associations, such as the Canada China Business Council and Canada-India Business Council. These associations exist to help Canadian businesses export to specific countries. They offer useful market intelligence, organize networking events and may participate in trade missions.

Through such groups, you can also meet Canadian entrepreneurs who are already exporting to your target country and are willing to share insights and contacts. “Those businesses have experience and can help you,” EDC’s Stephen Callaghan says.

Also be sure to take advantage of resources on specific countries from the Canadian Trade Commissioner Service, EDC, provincial trade offices and other Canadian government resources in the target market.

Online resources

For general information useful in preparing a market entry plan, consult these online resources.

- The Canadian Trade Commissioner Service’s *Step-by-Step Guide to Exporting*, available online.
- EDC’s free online guide, *Introduction to Exporting: How to Sell to International Markets*.
- Extensive online resources on exporting are available on the website of the Canada Business Network, a federal-provincial body that promotes entrepreneurship.
- BDC’s webpage on exporting for entrepreneurs.

For cultural information on doing business in various countries, a good resource is the Centre for Intercultural Learning, run by Canada's Department of Foreign Affairs, Trade and Development. Its website includes a "Country Insights" section that gives useful information on many countries.

For information on Canadian export reporting requirements, controlled exports and other information, visit the website of the Canada Border Services Agency.

Be ready to adapt

Many Canadian companies don't achieve optimal results abroad because they assume a product that sells well in Canada will sell elsewhere without any adaptation. However, failure to adapt to the needs and desires of foreign customers can result in costly false starts.

For example, while discretionary income has increased in many developing countries, consumers still tend to have less purchasing power than Canadians and are less likely to buy products with costly frills. One way to adapt is to offer cheaper versions of your products with fewer features.

Another common misconception is thinking your business will have no competitors, says Susan Bincoletto, Canada's Chief Trade Commissioner. "Entrepreneurs have great confidence in the uniqueness of their product or service and can sometimes downplay the competitive nature of foreign markets."

Bincoletto recommends that entrepreneurs clearly articulate their value proposition in each market, while identifying direct and indirect competitors. Entrepreneurs who approach this task with an open mind are less likely to have unpleasant surprises in a foreign market, she says.

The ABCs of shipping and logistics

Shipping internationally can be daunting. Someone in your team should become familiar with the logistics involved and study the best options for your company, asking the advice of an outside expert as needed. Here are some tips.

- You can hire a freight forwarder to ship your products or handle part of the process. They can usually get better shipping rates from carriers than a company on its own. They can also offer other services such as handling customs brokers, arranging transportation insurance, advising on packaging and labelling requirements, and warehousing products while in transit.
- Make sure you include accurate and complete documentation with your products for customs. Failure to do so can result in customs delays and severe penalties, including seizure of the shipment.
- Package products to withstand the hazards of being shipped, including breakage, moisture and extreme temperatures.
- You may be able to avoid or defer duties on products that you import if you plan to export them and not sell them in Canada. Check the Canada Border Services Agency's Duty Deferral Program for details.

EXECUTION

You're now ready to implement your market entry plan. Use it to adapt your product as needed and connect with partners in your target country. Be open to feedback, which you can use to validate and adjust your plan.

Here are six tips for executing your market entry plan.

1. **Build long-term relationships**—In many countries, a commitment to building long-term personal relationships is vital for your project to get off the ground and succeed. Canadian entrepreneurs sometimes run into difficulties when they try to sign a foreign deal after just a couple of meetings.

   In many countries, it takes significant time to build trust and understanding. This can take several in-country trips and months of contact. "If sales are weak, it's often because you didn't develop relationships," Gravel says.

   Chief Trade Commissioner Bincoletto agrees. "It takes time and patience to develop export markets. Exporters need to demonstrate to foreign partners that they are serious and represent a viable business opportunity."

2. **Vet partners**—Do thorough due diligence on partners, acquisition targets and other companies you hope to deal with. It's vital to investigate a potential strategic partner's reputation and financial health. Make a list of criteria they must meet and be disciplined about sticking to it.

   Businesses sometimes get caught up in the excitement of a venture and make the mistake of making a deal with a company that isn't a good strategic fit because, for example, the financial terms are attractive.

   "Choosing the right partners can make or break your entire venture," Gravel says. "They should understand your business goals and share your values."

   Proper due diligence is critical for an acquisition. One useful step is to work with the acquisition target to obtain a professional third-party valuation of their business.

3. **Carefully review contract wording**—Go over international commercial contracts with a lawyer who's experienced in international deals. Potential risks include harsh late delivery penalties, onerous indemnity clauses and clauses related to the transfer of intellectual property.

   "If possible, strike out such conditions or renegotiate them," recommends EDC's Introduction to Exporting guidebook. "Also, look for unexpected additional costs such as insurance requirements, performance guarantees, warranties and delivery conditions."

   To minimize disputes and litigation, contracts should include all essential terms. (Do not, for example, rely on verbal agreements.) They should also be clearly written with unambiguous language and specify the law that governs the agreement.

4. **Be on the lookout for corrupt behaviour**—You may encounter bribery and corruption in some countries. Be aware of the risks and how to deal with them. EDC's Business Ethics webpage provides useful information, including about Canada's Corruption of Foreign Public Officials Act, which prohibits bribery of government officials.

5. **Prepare an integration plan for acquisitions**—If your venture involves the acquisition of a foreign company, be sure to plan how you will integrate the new business and ease impacts on employees, customers and suppliers. Acquisitions of any kind—but especially in another country—can be tricky and may disrupt both the parent company and the acquired business.

6. **Be flexible**—Be ready to adapt your market entry plan and products as you proceed. Good relationships with local partners will help you get the feedback you need to hone your efforts.

Be active in your market

Stephen Hamelin has what many children would consider the best job in the world. His company Vortex Aquatic Structures, based in Montreal, makes interactive aquatic playgrounds and fun water-spraying structures with names like the Sea Silhouette Octopus, the Water Journeys Jet Dance and the Superwave.

Vortex has long had some sales outside North America, but until recently, it had minimal strategy for selling beyond Canada and the U.S. “Our approach abroad was opportunistic, and we weren’t fully capitalizing on the potential in these markets,” Hamelin says. “We didn’t have in-depth market knowledge to allow us to market effectively and adapt our offering to local needs in various countries.”

Hamelin decided to create a strategy for sales abroad about five years ago. A key component was to reinforce the existing distribution channel. Instead of relying only on distributors to make sales, Hamelin decided to invest more in the company’s direct presence abroad, particularly in key markets such as Europe and China.

Vortex became more active in deal-making with a local partner in Britain, invested in a joint venture in France and opened an office in Spain. In China, Hamelin buttressed an existing sales team with back-office support.

“Our distribution partners required more support to take the business to the next level. We decided we needed to be closer to those markets in order to be competitive.”

Our distribution partners required more support to take the business to the next level. We decided we needed to be closer to those markets in order to be competitive.

STEPHEN HAMELIN, VORTEX AQUATIC STRUCTURES

The strategy is working. While the company's sales in Canada and the U.S. have shot up an impressive 80% in the past two years, sales outside North America have increased even more quickly, growing by 100%.

"Now we're getting better information," Hamelin says. "Being on the frontlines gives you more insights into market needs and the adaptations and innovations you need to be successful."

FOLLOW-UP

Many foreign business ventures go off the rails because of inadequate follow-through. Remember you're in it for the long haul, so expect to devote time and resources to following up on your initial deals or contacts. Here are more tips.

1. **Be patient**—Don't expect quick sales, much less quick profits. It can take two to five years to recoup your investment, depending on the country. You may need half a dozen or more trips to the target country in the first year alone and additional visits in subsequent years, though likely less frequently as time goes on.

   If you haven't recovered your costs after two years, you may need to revisit your entry plan to see whether changes are needed. If, on the other hand, your venture is on track after the second year, you may want to consider developing a new foreign market.

2. **Monitor your progress**—Continually monitor your results and what's going on in your markets to stay ahead of changes and update your planning as needed. One key way of ensuring good market intelligence is maintaining close relationships with foreign employees and partners and paying attention to their feedback. It's in their interests for you to succeed.

   Cultivating long-distance relationships can be tricky over thousands of kilometres, multiple time zones, different languages and cultures, and unfamiliar business practices and rules.

   It can be helpful to manage and monitor these relationships using overlapping checks and balances such as the following methods.

   - **Multi-level monitoring**—Don't rely just on communications with the person designated to work with you. Also establish informal relationships with people who work under and above that person in the chain of authority. This allows you to validate vital information on operations. It also helps ensure you have someone else to talk to if your contact suddenly leaves.

- **Multi-dimensional monitoring**—Develop contacts up and down your supply chain in the target market. This helps you keep ahead of changing market conditions and gives you quick access to alternate supply options, if needed.

3. **Learn as you go, and be persistent**—As your expansion progresses, keep learning, tweaking your efforts and getting better. Study innovative methods and best practices used by your foreign partners and competitors, and consider adopting them in your business.

   If you encounter difficulties, remind yourself that it's common for a company's first foreign venture to stumble. Don't give up on your expansion strategy. Instead, review what went wrong, address your mistakes and try again.

CONCLUSION

International expansion is both an opportunity and a necessity in today's world. The entrepreneurs in this eBook are proof that it's not only possible but can be very rewarding.

At B.C.'s Kicking Horse Coffee, Elana Rosenfeld learned lessons from a bumpy first foray into the U.S. and is now enjoying success on a second try.

In Montreal, Vortex Aquatic Structures President Stephen Hamelin is investing in his company's foreign presence to take better advantage of sales opportunities, gain local market insights and learn how to adapt his aquatic playground products.

In Cape Breton, Lori and James Kennedy at Louisbourg Seafoods are taking a patient approach to building long-term partner relationships as they steer their company into China and India.

It's a world of opportunity for entrepreneurs who have the ambition to seize it. With preparation, timely advice and hard work, you too can make your mark on an international stage.

Enter foreign markets with confidence

WITH A PROVEN APPROACH TO INTERNATIONAL GROWTH

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> Develop an efficient market entry strategy

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