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Inventory of Ethnocultural Resources

Business Plan

March 31, 1996

Small Business Office

Industry Canada

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Project Summary

Following the recommendations embodied in the Discussion Paper developed by the CEC and presented at the recent conference on diversity and competitive advantage, Industry Canada has contributed funding for the first Phase of a project to develop an inventory of ethnocultural resources. The inventory will contain the names, addresses, qualifications and experience of business people of diverse ethnocultural origins. It will focus specifically on trade, marketing and management skills and will be searchable by sector, language, country or community, as well as by expertise. The inventory will be available electronically through the Internet both to intermediaries helping businesses as well as to business end users themselves.

1. The Need

Two distinct needs intersect around the issue of ethnocultural diversity: the need for Canadian business to become more competitive and the need for our ethnocultural communities to make their full contribution to the economic life of this nation.

On the one hand, there is a need for Canadian businesses to become more effective and competitive by deploying their internal resources to their maximum potential, accessing new resources, and penetrating new markets. For example, in the area of international trade, too much of Canada's trade is held in the hands of a few large companies, and too much of it is concentrated on the United States. Canada is not participating fully in the emerging opportunities and dynamic growth to be seen in Asia, Eastern Europe and Latin America.

On the other hand, there is a need for Canada's ethnocultural communities to break through barriers and fully enter the economic mainstream of this community. Though statistics show that immigrants tend to have more education, they also tend to be more likely to be unemployed. There is a huge resource of linguistic ability, cross-cultural skill and business experience that has not been fully tapped into and consequently, that is not making its full contribution to the Canadian economy.

Canada's business community and the business people in Canada's ethnocultural communities have much to gain from closer linkages. The business community can use ethnocultural linguistic, cultural and business skills to penetrate new overseas markets, to improve marketing to ethnocultural communities in Canada, and to enhance its ability to manage an increasingly diverse workforce. And ethnocultural business people can find clients, develop opportunities and realize their full potential.

For a more detailed description of Canada's ethnocultural resources, and their economic potential, please see Appendix A.

2. The Product

2.1 Description

Industry Canada is taking the lead in developing an inventory of Canada's ethnocultural business resources. The inventory lists individuals, organizations and companies with specialized linguistic and cross-cultural expertise. It can be searched by name, area of expertise, location in Canada, knowledge of a particular language, foreign country in which business has been done, type of company or other category.

The inventory will provide users with listings, contact points, and descriptions of the following types of individuals and organizations:
- individuals with foreign language expertise, cross-cultural skills, and business experience in specific foreign markets;
- ethnocultural business associations;

- bilateral business councils;
- specialists in cross-cultural training;
- specialists in ethnocultural marketing;
- management consultants specializing in cross-cultural and diversity issues in the workplace;
- individuals with specific language skills able to work as translators, tourism hosts;
- ethnocultural business directories;
- ethnocultural media (newspapers and other publications, radio and television programs).

Entries for individuals will include language skills, areas of expertise, countries or communities in which the individual has worked, a list of past projects and examples of recent clients. It is desirable for those listed to include client lists, descriptions of past projects and references as a way of validating their expertise. This is not compulsory, but users recognize the difference between an offer of service supported by documented references and one in which lists of clients or past projects are absent.

Entries for organizations will include date of establishment, membership, objectives, services offered and major recent projects.

Typical end users for this information will include:
- companies wishing to export into specific foreign markets;
- companies wishing to market to particular domestic ethnocultural communities;
- tourism operators seeking to provide enhanced services to foreign visitors;
- government departments and agencies organizing missions and trade fairs abroad;
- companies trying to provide more effective management of a diverse workforce;
- providers of promotion and support services to foreign investors;
- organizations looking for specific language skills.

If users find it useful, the inventory can be expanded to include case studies and success stories, bibliographical references to books and articles, diagnostics and planning tools. Such materials would show how Canada's ethnocultural resources have been applied successfully in foreign and domestic markets or how valuing diversity in larger organizations allows for an improvement in the management of an ethnically diverse workforce.

2.2 Nature of Information

Individuals

The following template provides an example of the kinds of information that has been gathered about the individuals listed in the ethnocultural inventory.

Contact Information
>   *Name*
>   *Address*
>   *Telephone Number*
>   *Fax Number*
>   *Internet/e-mail address*

Company Affiliation
>   *Name of Company*
>   *Nature of Company*
>   *Status of Company*
>   *Number of Employees (if any)*

Skills
>   *Areas of Expertise*
>   *Languages Spoken*
>   *Countries or communities with which there are cultural or linguistic links*
>   *Countries or communities in which business conducted*
>   *Sample projects*
>   *Recent or Significant Clients*

Memberships
>   *Bilateral business councils*
>   *Business associations*
>   *Organizations abroad*
>   *Other*

Organizations

The following is a template summarizing the type of information that would be sought about organizations listed in the inventory.

Contact Information
>   *Name*
>   *Address*
>   *Telephone Number*
>   *Fax Number*
>   *Internet/e-mail address*

Background
   Date of Establishment
   Mandate or Mission
   Number of Members

Areas of Expertise
   Countries or communities on which the organization is focused.
   Sample projects

2.3 Delivery

The inventory will be made available through the Internet and will be mounted on sites that are likely to be visited either by the target client groups or by the intermediaries who serve them. These intermediaries will include business associations, legal firms, consultants, accountants, trainers/educators and government business service officers.

There are already many information services and networks that are used to link businesses with each other or to bring them into contact with sources of help. Among the most important of these are:

- the Strategis platform of information products, which also includes *Contact!* (The Management Information Network) and IBIN (the international business information network);
- DFAIT is creating comprehensive electronic tools to support Canada's trade efforts, including the InfoCentre, electronic market intelligence, a Faxlink service for Investment Promotion, the Mexican Knowledge Base, and electronic matchmaking services;
- Canada Business Service Centres now exist in all provinces and provide business people with information on a wide variety of business-related topics. This information is now accessible by telephone or fax and will eventually be available on-line;
- Canada's network of International Trade Centres is being re-designed to provide more comprehensive trade-related information and services to potential exporters.

The most cost-effective place to locate the inventory is inside Contact! Strategis is one of the largest Internet sites in the world and the largest in Canada. It is specifically focused on providing information services to Canadian business people. Moreover, it is being extensively promoted within both the business and intermediary communities. On the day after the successful public launch (March 27, 1996) about a thousand companies were said to have visited the site and one hundred registered for the Company Capability database.

Business people looking for help are likely to go to Strategis or to be directed there by the Canada Business Service Centres, the International Trade Centres, business associations, and private consultants.

Contact! is that portion of Strategis that focuses on management issues. It addresses topics such as the management of trade, marketing and human resource management. It is a perfect complement to the objectives of the proposed inventory. What is more, the software and information framework has already been developed. The data gathered for the inventory can be poured into the Contact! framework at virtually no additional cost.

This means that it is not necessary to develop new software or hardware for the ethnocultural inventory. The only requirement is to arrange the required information so it can reside easily inside Contact!

It is also not necessary to enter into elaborate or complicated partnering arrangements with a multitude of different organizations to develop this information. By using the Strategis platform, the inventory will be available to any partner group in Canada interested in accessing, testing or using it. Similarly, it would be available to any foreign business people interested in contacting potential partners in Canada.

Finally, the successful launch of Strategis/Contact! suggests two additional benefits to this approach. First, the Ethnocultural inventory can take advantage of and align with the broader marketing efforts already under way for Strategis and Contact!. This will make it easier (and less expensive) to promote the inventory. Second, the use of this platform offers a mechanism for gathering additional entries. Companies and individuals visiting the site can be invited to register in the database. This will quickly make it a focal point for companies interested in accessing ethnocultural resources or individuals interested in offering their language and cultural skills.

3. Expected Benefits

A national inventory of ethnocultural resources would help to raise business awareness of Canada's capabilities and business opportunities. It would improve linkages among different business groups, and provide easy access to relevant and actionable information about what resources are available to help penetrate global and domestic markets.

Canadian business people will have quicker and easier access to the expertise of individuals with linguistic, cultural and business links to other countries or to domestic ethnocultural communities. This will help them to identify new opportunities and penetrate new markets both at home and abroad.

The inventory will provide greater exposure for business people of diverse ethnocultural origins, allowing them to better market their skills and services to the Canadian business community. In this way, the project will contribute to advancing the interests of Canada's ethnocultural communities.

Intermediaries and business service providers (business counsellors, trade commissioners, consultants, etc.) will have an additional source of information that they can offer their clients.

The inventory could serve as a focal point and catalyst for cooperation, networking and promotion. Creating it would inevitably bring the various stakeholders together for ongoing face-to-face interaction. That, in turn, might spin-off other ideas and initiatives.

The inventory would also provide a focal point for an awareness campaign by stakeholders to tell constituencies about it and how to use it to take advantage of diversity-related opportunities.

Industry Canada will enhance the services that it provides to Canada's business community by adding the diversity dimension. This will support Industry Canada's mandate to improve Canadian business competitiveness.

DFAIT will be invited to participate in the project. The ethnocultural inventory has an obvious relationship to trade promotion and the people listed in it are natural bridges to the markets of the world. In addition, it will be extremely useful to have a listing of experts on foreign languages, markets and business practices that DFAIT can draw on for its own promotional activities (missions, trade shows, seminars etc.).

By participating in this project, the Department of Canadian Heritage will establish working partnerships with Industry Canada and with DFAIT. It will provide a concrete and demonstrable service to an important part of its constituency. It will also be in a position to demonstrate more forcefully that Canada's multiculturalism policy has important economic implications. The focus on trade development, domestic marketing and improved management is directly linked to the government's overall jobs and growth strategy.

4. Implementation

The national inventory of ethnocultural resources will be implemented in a staged way. A sub-set of the inventory is being developed for testing in a pilot. If the pilot is successful, a full-scale version will then be developed. The project will be organized into the following three phases:

> *Phase I (from inception to March 31, 1996):* development of an overall strategy and research methodology; defining the content of the inventory; development of a partnering and delivery strategy; development of a promotional strategy; finalization of the business plan; gathering data for a pilot demonstration of the inventory; producing a pilot version suitable for delivery and testing;

> *Phase II (April 1 to June 30, 1996):* mounting the inventory on a suitable delivery platform; launching and promoting the pilot version; conducting a formal evaluation of the product; modifying the product to capture recommendations from the evaluation; conducting any additional research required.

> *Phase III (July 1 1996 to Mar. 31 1997):* ongoing operation and maintenance of the inventory for a period of nine months. At this point, the value of the product

will have been demonstrated. If overall response is favourable, the inventory will move to a cost-recovery mode and users will be charged a modest fee for being listed, or for accessing lists. The inventory may also be expanded through the incorporation of additional materials, if these are deemed of interest to users.

4.1 Detailed Implementation Steps

The following table offers a step-by-step summary of the stages that will be involved for implementation of the ethnocultural inventory.

Phase I: Strategic Development and Pilot Design		
Step	**Name**	**Description**
1	Action Plan	Outline of the key steps involved in Phase I of the inventory project, together with deliverables and estimates of timing.
2	Business and Marketing Plan	Detailed description of the entire project, including rationale, implementation, marketing, testing, costing, and funding.
3	Inventory Design	This involves defining the information fields to be included in the inventory to capture resources focused on trade, domestic marketing and management as well as possible additional materials. Development of the database structure for the inventory to reside on the Strategis and CBSC platforms.
3	Partnership strategy.	This includes establishment of contacts with potential partners. This would include securing their support for and participation in the project as well as defining their role. This would also include defining partnerships required for the pilot test of the inventory.
4	Delivery strategy.	Establishment of contacts with service delivery points that could serve as platforms to carry this information. This could include the Canada Business Service Centres, the Strategis project, the Management Information Network, the International Trade Centres or the Forum for International Trade Training. Secure agreements for testing the pilot version.
6	First draft (sample) of the pilot database.	This would be based on research to gather entries for the pilot inventory. The sample results would be input into the implementation software selected.

7	Submit final draft of the pilot database	Deliver pilot version of the directory suitable for testing.

Phase II: Pilot Test		
Step	Name	Description
1	Implement promotional strategy	Use the business plan and marketing materials developed as part of Phase I as the basis of an aggressive promotional strategy to ensure that both business groups and ethnocultural business people are aware of the inventory and its benefits.
2	Develop evaluation template	Work with professional group experienced in project evaluation to develop a suitable template for testing the usefulness and impact of the information in the inventory as well as capturing suggestions for product improvement. Include survey of what additional information or material might be useful.
3	Distribute to Intermediaries	Work with a partner organization to distribute copies of the inventory to intermediaries for testing with end users.
4	Collect Evaluation Data	Work with partner organization to collect information from intermediaries.
5	Report on Findings	Professional project evaluator to examine findings and develop a report.
6	Improve product	Work with the Contact! product manager to improve and expand the product in line in accordance with the results of the evaluation. If required, design in additional fields of information. Gather additional listings to capture more of the available ethnocultural expertise.

An organization will have to be found to manage Phase II of the project. This could be done either on the basis of an unsolicited proposal, or a formal tender. Among the possible candidates for this role might be the following:

- the operators of onTRAC, a trade-related Internet site provider that is already seeking to match ethnocultural resources with businesses and which has expressed a keen interest in the project;
- the Forum for International Trade Training, which manages an international business training program delivered through colleges and universities across Canada;
- the Canadian Interactive Business Association (CIBA - Winnipeg), a group that has already established a website in the Winnipeg area and is looking to "populate" it with information of use to businesses;
- the National Council of Canadian Ethnocultural Business and Professional Associations, which has been active in this area for several years and which has proposed projects similar to the ethnocultural inventory;
- other companies specializing in marketing/promotion or evaluation

Phase III: Completion and Launch		
Step	**Name**	**Description**
1	Strengthen partnerships	Use pilot results to strengthen relationships with partner organization(s). Articulate a common vision of the product and a commitment to its development and maintenance. Secure cooperation and contributions from other stakeholders. Focus in particular on product maintenance (information currency) and cost recovery issues.
2	Conduct additional research, product development	Collect any information needed to complete the remaining fields in the inventory. This might include additional information about individuals or organizations, as well as diagnostics, planning tools case studies, success stories or other types of material.
3	Ongoing promotion	Building on and improve existing materials to maintain promotional strategy. To remain cost-effective, this strategy should be highly targeted (there is no need for a mass-market approach) and focus on intermediaries. Not only are they important in their own right, they are also the primary channel through which information about the inventory can reach end users. During the initial, intensive promotional phase, the managing partner may enter into direct and personal contact with intermediaries to give them additional information and encouragement. Though labour-intensive, this might be handled using relatively low-cost temporary resources.
4	Electronic questionnaires	Electronic templates can be used to monitor usage, survey user opinions, and update information on those listed in the inventory. These should be interactive, automated and available through the Internet site. It would be important to integrate this updating template into the inventory so that the information gathered could be transferred into the inventory in a virtually automatic manner.
5	Dating mechanism	About 3-6 months after the launch of the inventory, the material will be due for updating. At that point, the managing partner should send an update form (by regular mail, fax or e-mail) to all those listed in the inventory. In the initial implementation phase, those who do not respond within a certain period of time could be contacted to determine why they did not respond or to encourage them to do so. Eventually, entries that had not been reviewed or updated for more than six months would be dropped from the inventory.
6	Tracking and monitoring	Electronic questionnaires should be used to track usage and to gather opinions from end users. users. They will be

	evaluation	distributed from the Internet site itself. At the same time, focus groups might be called together for more detailed follow-up discussions and evaluation.
7	Ongoing product improvement	On the basis of the information gathered in the evaluation surveys, improvements could be made to the inventory on a continuous basis. At the same time, improvements should be made to all other processes associated with this initiative. That includes the site, the information available on the site, and the templates used to gather information. That process should incorporate a continuous feed-back loop from all members of the emerging network.

The design of this implementation process assumes that, at least initially, Industry Canada and the Department of Canadian Heritage would play a leading role. During this initial phase, partnerships will be forged with other stakeholders and business groups representing key intermediaries. Eventually, these partnerships will lead to the emergence of a simple but effective structure capable of assuming responsibility for ongoing operation of the inventory.

Ideally, the inventory will serve as the focal point for a semi-formal or formal association of stakeholders that could assume some of the tasks involved in maintaining the initiative. This could be a mix of private-sector and public institutions. Especially important would be to examine the costs associated with maintaining it and explore financing options.

4.2 Proposed Partners

The ethnocultural inventory builds on the model of two earlier directories — *Multiculturalism Means Business* and the *Quebec Directory of Business People of Asian Origin* — both of which have proven useful. It takes the concept further by creating a national, electronic directory of ethnocultural resources.

Industry Canada has a mandate to enhance the competitiveness of the Canadian business community, especially by providing it with useful information. As the source of funding for Phase I of the project, Industry Canada is clear a lead partner.

The Department of Canadian Heritage has a mandate to promote the business dimensions of ethnocultural diversity and will be a useful partner in this venture. It will be asked to provide funding for Phase II of the project.

Other potential government partners might include the Department of Foreign Affairs and International Trade and the Department of Human Resource Development. Agriculture and Agri-food Canada is currently developing an intensive export-promotion initiative that might benefit from this type of inventory. It has already worked with the Department of Canadian Heritage in studying ethnic food markets in Canada. The federal Tourism Commission might be a partner inasmuch as the tourism sector could benefit from such an inventory to help it locate translators and hosts for incoming visitors.

The Canadian Ethnocultural Council (CEC) in collaboration with the Department of Canadian Heritage and the Conference Board of Canada has prepared a Discussion Paper outlining the rationale for such an initiative. The CEC is an umbrella organization represented some 40 ethnocultural communities across the country. It has an extensive network throughout these communities that will be useful both as a source of listings for the inventory and as a way of promoting the inventory.

The inventory has an obvious connection with the Saskatchewan Organization for Heritage Languages, which is undertaking a pilot test of a nation-wide Languages Network to facilitate language training. Their database of language skills will be referred to in the inventory, a hotlink to it might be established, or it might even be included directly in the inventory.

There are already several comparable and complementary initiatives under way in different parts of Canada that relate to this kind of an inventory. For example, the Winnipeg branch of the National Council of Ethnic Canadian Business and Professional Associations has spearheaded the creation of an InterNet site listing business associations, ethnocultural organizations, regional councils and other groups interested in interactive business over the InterNet. Planned elements to be included in this service include: a directory, a bulletin board, a calendar of events, and an open-line communications capability. This kind of resource could be expanded nation-wide to serve as a natural complement to a national directory of experts, consultants and resources.

The World Trade Centre in Montreal is spearheading an initiative to develop a network of 40 trained consultants who are experts in marketing in 25 different target countries. These consultants would be specialists in the language, culture and business climate of the target market as well as being qualified business people. They would be available, on a fee-for-service basis, to high-tech companies interested in pursuing opportunities abroad. The World Trade Centre would provide the consultants with training and serve as a contact and access point for people wishing to use their services.

The Forum for International Trade Training (FITT) has already begun some work in this area. Building on its network of trade experts it has assembled a directory of trading houses in Canada. Many of these organizations are operated by business people originating from other parts of the world and many of them specialize in facilitating trade with their countries of origin.

Partners in the private sector include the Canadian Advertising Federation, the Conference Board of Canada, the Tourism Association of Canada, and local chambers of commerce. In addition, bilateral business councils and trade-related associations (Canadian Exporters' Association, Canadian Importers' Association etc.) would have an interest in the trade portion of the inventory.

In thinking about partnerships, it is important to distinguish between partner-contributors and partner-users.

Partner-contributors

Partner contributors are those organizations that have a vested interest in seeing such an inventory be created. These are organizations that are committed to advancing the economic visibility and participation of ethnocultural communities, or enhancing Canada's overall trade effort, or improving marketing, or improving the management of diversity in the workforce. They are also organizations that have access to information in these areas and would be willing to contribute that information to the project.

The partner-contributors will be involved in a strategy of gradual engagement. Not only will they be encouraged to contribute information, they will also be consulted on the evolution of the project. For example, they will be invited to participate in a sounding board that will provide feedback and input. Their involvement in such a group lends credibility to the venture. It is also a vehicle for disseminating information about the inventory. This could be a way of securing additional resources for the project, especially in areas such as research, promotion and evaluation, where sounding board members could use their own networks to gather information, to spread the word about the initiative, to gather reactions and responses, or to assemble candidates for focus testing. Finally, these partners are critically important in maintaining linkages to other initiatives that may have a bearing on the ethnocultural inventory. Potential partner-contributors include:

- Industry Canada [Strategis/Contact!]
- Canadian Heritage
- DFAIT
- Canadian Ethnocultural Council
- National Council of Ethnocultural Business and Professional Associations
- individual ethnocultural business and professional associations
- Asia Pacific Foundation
- Marketing Magazine
- immigrant services organizations (provincial and municipal)
- the Canadian Advertising Foundation (more specifically its council dealing with race relations

Partner-users

Partner-users are those organizations that benefit from having the inventory available to themselves or their clients. Such partners might include associations seeking to provide better service to their members, business service delivery points seeking to provide a more complete range of information to business clients, or private companies looking to enhance their range of offerings. Potential partner-users include:

- Canadian Exporters Association
- Canadian Importers Association
- Chambers of Commerce

- Manufacturers Association
- Canada Business Service Centres
- International Trade Centres
- the DFAIT Internet site
- Canadian Tourism Commission
- Conference Board of Canada (which has expressed and interest in diversity training)

Partner-users might agree to include a reference to or listing for the inventory in their own Internet sites or publications. This is probably relatively easy to do in the case of government-sponsored initiatives (CBSCs, ITCs). Private-sector users may be willing to include a mention of the inventory in any internal newsletters or bulletins to members. And they might agree to evaluate the product.

4.3 Technology Strategy

Initially, the proposed inventory will be based on the Strategis platform and will reside in Contact! This will allow for a cost-effective development, launch promotion and testing of the product. It eliminates the need for separate development of a website, or interface software and allows efforts to be focused on gathering the information and promoting the database.

By being linked with Contact!, the ethnocultural inventory will share in its capabilities. This will be extremely useful in the case of Contact's electronic bulletin board and conferencing facilities. An "ethnic" user group or chat line can be created and the inventory will reap the benefit of these capabilities at no additional cost.

With Contact! as its foundation, the ethnocultural inventory can then be linked with other business service capabilities. For example, agreements may be secured with other website operators to provide hotlinks from their sites to the inventory. These might include DFAIT, the Canada Business Service Centres, and the International Trade Centres.

The project manager appointed for Phase II of the project could provide access to the inventory from their site. Depending on how both Contact! and the ethnocultural inventory evolve, the inventory might even be migrated to the project manager's site and be accessible through a hotlink from Contact! These arrangements would have to be worked out in greater detail once the pilot phase of the project comes to a conclusion and its further directions are defined and approved by stakeholders.

4.4 Maintaining Currency

Phase I of the project will provide a pilot version of the inventory. Once this is demonstrated, it will be necessary to maintain and expand its contents. The conventional approach to maintaining the currency of information in the inventory would be to use the mail, fax and the telephone to distribute questionnaires, solicit responses, and follow-up to

ensure a reply. The implementation of the product as an Internet site in association with Contact!, however, offers significant additional opportunities for promoting the inventory as well as for maintaining its currency.

The inventory can build on the updating tools already available through Contact! Contact's business plan calls for questionnaires to be mailed, e-mailed, or faxed regularly to organizations and individuals listed in Contact! with a request for updates. Much of this process can be automated and appears to be more cost-effective than doing it through researchers. It also allows for relatively frequent updating of information.

There are some limitations, however. It assumes, for example, that those listed on the site have e-mail and use it. While e-mail usage is growing quickly, it cannot be assumed that all businesses have it and therefore the e-mail approach will have to be supplemented by conventional mail, fax and telephone research.

Success does depend to a large degree on those listed filling out and transmitting the information back to the project manager. If those listed do not want to co-operate or submit their information, there is nothing that can be done to force them to do so. The only possible "sanction" is the cost of not being listed.

One way of ensuring that those listed pay attention to requests for information is to introduce automatic stale-dating mechanisms into the inventory. This could work in a number of ways. Entries that had not been changed in a year (for example), would automatically be erased. If two successive requests for updating had gone out and not been responded to, that entry would also be dropped. The effect of this approach will be to focus attention on the importance of keeping the information fresh and complete.

The key to the success of both the electronic and the conventional approaches is to make a listing in the inventory as appealing as possible. If the concept finds widespread currency and support, then individuals will want to be listed simply because the network and the inventory are the premier vehicles for promoting and selling their services.

4.5 Administrative Structure

Sounding Board

Industry Canada will take the lead in assembling a sounding board composed of some or all of the partners from within government and from the private sector listed in section 4.2, as well as any additional stakeholders interested in participating. The sounding board would meet infrequently to provide overall direction to the project. It would also provide it with the credibility it needs to enter into partnering arrangements with the operators of other information platforms ((the CBSCs, DFAIT, the International Trade Centres, private-sector associations, etc.) to develop hotlinks to the inventory or to promote it in their own activities.

Product Management

Initially, management of the product is being provided through a sub-contract issued by the Small Business Office in Industry Canada. This supervisory role will migrate out of the SBO as quickly as possible and in Phase II, the project will be managed by a host organization acting on sub-contract, on behalf of partners and stakeholders. Once the project moves into Phase III, however, a more permanent arrangement will have to be made, either with the host organization of Phase II or with another suitable organization willing to assume responsibility for maintaining the inventory. That host organization will work with and consult with the sounding board on an ongoing basis.

In deciding on a host organization for the project, it will be necessary to consider the costs and responsibilities associated with the project. The host organization will have to be one that can either contribute its own resources, attract funding from others, or quickly implement a revenue-generating strategy.

4.6 Future Directions

Industry Canada funding and support will not be available indefinitely, though the Strategis platform can continue to carry the inventory as one of its offerings.

When considering the future evolution of the product, three possible stages present themselves:
1. ongoing development of the inventory will be managed by an existing organization which would receive subsidies to operate it (this is what is being planned for Phase II);
2. the inventory will develop an independent management structure of its own, and
3. operations of the inventory will migrate to a private-sector association or company (which might occur during Phase III of the project).

Once the initiative is well established under Phase I, management of the inventory will be assigned to one or more external organizations. Potential hosts will be asked to submit proposals for assuming direct responsibility over maintaining it.

If the viability of the initiative is demonstrated during Phase II, potential hosts may be interested in being associated more permanently with the inventory, especially if it enhances their own activities and offers opportunities for revenue generation. This option will become even more attractive if there is the possibility of securing additional financial support either from a government department or a corporate sponsor. Alternatively, this proposition will be attractive to potential hosts if the inventory demonstrates the potential for generating at least some revenues from its users.

Eventually, the inventory may migrate directly into the private sector. Operation of the product may be taken over permanently by a private company, a business association, or to an educational or training organization. If the project manager of Phase II were uninterested in assuming this role, the sounding board could issue a call for proposals and select the one that offered evidence of long-term viability as well as assurances that the "public interest" aspects of the initiative would be maintained. This level of privatization,

however, will only be feasible if the initiative generated sufficient revenues to make the venture self-sustaining, at the least. The organization assuming responsibility for the venture will have to see sufficient scope for not only recovering its costs, but also generating enough of a profit to make participation worthwhile.

4.7 Critical Success Factors

Information should be available in different media to satisfy the needs of different users. The underlying electronic platform should be used to provide the information on demand, in whatever medium is required by users, including hard copy (print on demand), in faxback sections, on diskette or CD-ROM, or over an electronic bulletin board at the inventory's Internet site. The sale of hard copy offers an opportunity for revenue generation.

The proposed inventory should be linked to other tools and networks that are already providing information and services to the business community. Apart from the proposed linkage with Contact!, the inventory should be hotlinked to the CBSC Business Information System, the ITCs trade-related information, and DFAIT's InfoCentre as well as other private-sector websites and databases.

The single most important issue, however, is the ongoing maintenance of the inventory. Entries will have to be verified and refreshed on a regular basis. Outdated material will have to be deleted. New material will have to be included. This is a significant and ongoing commitment that will require not only an institutional framework but human and financial resources as well.

The project can be maintained by an organization or a consortium of institutions which might be willing to dedicate some human resources to the task. A key, however, is to ensure the financial means to pay for the costs associated with information gathering, site maintenance and delivery.

Care must be taken to verify the accuracy of the entries. Moreover, since not every potential source listed on such a directory is equally qualified, it would be desirable for those listed to include client lists, descriptions of past projects and references, as a way of validating their expertise. This would not be compulsory, but users would recognize the difference between an offer of service supported by documented references and one in which lists of clients or past projects were absent.

Tracking mechanisms would have to be built in to monitor what is being used, how often and for what purpose. User responses should also be collected in a regular fashion. Both types of information are vital to guiding product evolution and continuous improvement.

Effective promotion of the concept and its usefulness to the right individuals is vital. Messages about the benefits and advantages have to be especially well crafted and

considerable initial effort would be required to reach a significant proportion of the stakeholders interested in this area;

Interfaces and response mechanisms would have to be well designed and easy to use. This is especially true of questionnaires and templates. Not only is it important to make these easily accessible to users, but it is equally vital that they information gathered using these means is easily incorporated into the databases at the site.

Access to the databases would have to be controlled and appropriate firewalls established so that the inventory could not be tampered with.

Users of the site should register on first entering it. A system of "subscriptions" might be employed to ensure that the names and interests of users are recorded. This is key to building up the network and making it more than an assembly of anonymous electronic "ghosts." It also offers the potential for eventual revenue generation.

5. Marketing

It is critical that the inventory be promoted effectively. In the first instance, this means making sure that all intermediaries (Business Service Centres, International Trade Centres, trade commissioners, DFAIT geographic desks, business associations, bilateral business councils, etc.) know about the inventory and inform their business clients about it. It also means working through partner organizations (business associations and ethnocultural business and professional associations) to inform their members about the inventory, where it is, and how to use it. While a promotional strategy is being developed as part of Phase I, its actual implementation will be an important part of Phase II.

One key aspect of promotion in Phase II would be to go to where potential business users are likely to be in order to tell them about the product. For example, there are numerous trade shows and seminars on emerging trade opportunities. Many of these occur annually during October, which has been designated as export month. For example, Le Monde des Affaires is a key trade show that is regularly held in Montreal at the end of September and beginning of October. It will be necessary to have material about the inventory, and possibly a demonstration of it on a laptop, available at these types of events. Similar approaches could be made at the annual meetings organized by marketing groups such as the Canadian Advertising Foundation.

To keep promotional costs low, in the case of some events, it may be possible to piggyback the promotion onto any government of Canada or Industry Canada booth that may be set up at the event.

It should also be noted that a key part of the promotional strategy will be to solicit additional inputs and names for the inventory. Any promotional effort should also make it clear that the inventory is an ongoing venture that looks to include additional qualified names. Promotional material should include a name and contact point for those wishing to be listed.

5.1 Target Markets

The ultimate target for the ethnocultural inventory is the Canadian business community, consisting of about a million registered firms of various sizes. More specifically, the target includes those companies that are looking to enter overseas markets, enhance their marketing to domestic ethnocultural communities or become more effective in managing diversity in their work force or supplier base.

It should be added that a collateral target are businesses and individuals that would want to be listed in the inventory because they have particular linguistic, cultural and market skills to offer.

Associations and institutions that are active internationally or in various ethnocultural communities may also benefit from this inventory. This is especially true of trade-oriented associations and bilateral business councils as well as groups focusing on marketing and management issues.

Other targets will include officials working for various levels of government. A separate group of targets include ethnocultural business and professional associations and ethnocultural communities. Many of their members would be interested in being listed on the inventory.

5.2 Marketing Strategy

Role of Intermediaries

There are two fundamental impediments to providing information about ethnocultural resources directly to business end users. Many of these businesses are unaware of the competitive benefits inherent in deploying ethnocultural resources. They may therefore not even see the need for accessing this information. In addition, many small businesses remain relatively unsophisticated with regard to information technology. They may lack either the means (computers, software) or the inclination to access information over the Internet. Yet the diversity and rapidly changing nature of this information means that the only practical way of assembling and delivering it is electronically based.

Given these realities, it is preferable, at least in the pilot stage, to use existing intermediaries as the vehicle for delivering information, raising awareness, and developing a more general appreciation of possibilities and opportunities in the area of ethnocultural business resources. These intermediaries include business associations, ethnocultural councils, and bilateral trade organizations. They are usually the first to be contacted when an individual or business needs advice or assistance. Given this natural and already well-developed linkage, intermediaries constitute an ideal channel through which information about ethnocultural resources can be delivered in an accessible and practical manner that demonstrates both its importance and its usefulness.

Intermediaries are already likely to be on the Internet and can readily access Contact!. In fact, many intermediary organizations are already partners in Contact! informing them

about the additional capabilities inherent in the ethnocultural inventory is a relatively straightforward proposition.

Since the inventory will be available through intermediary organizations, its end users will be those businesses that are the clients of these intermediaries. It is likely, therefore, that these firms will be those that care about optimizing performance, since they are taking the time and trouble to go to the intermediary in the first place. This will form a good foundation of sophisticated information and resources users for testing the inventory.

The broader business community's needs will be addressed as other suppliers and intermediaries participate in the network, and as other businesses become sophisticated enough to access it through Internet or other market mechanisms. Ultimately, as the system's capabilities evolve and as business users become more sophisticated, this information could be accessed directly by a larger number of business people.

Techniques

The following table summarizes those common promotional and marketing techniques that are appropriate to the promotion of the ethnocultural inventory. It is not an exhaustive list of all promotional techniques, but rather a sampling of those that are most likely to be cost-effective for this particular project. Selection of the appropriate technique will depend on consultations with and advice from partners and intermediary organizations. In particular, marketing and promotion should be integrated into the approach taken to promote Strategis as a whole and Contact! in particular.

Techniques for Marketing the Ethnocultural Inventory		
Technique	**Requirements**	**Considerations**
Personal contact with intermediaries	• "champions" willing to take the time to make contact	Extremely labour intensive, but can also be highly effective.
Articles in association newsletters and bulletins	• Text of article	Reaches highly targeted audience.
Articles in newspapers, mention on television	• Contact with reporter to place the story	The print and television media resist being used to promote anything. They look for a "story." Can the inventory be positioned as an interesting story?
Commissioned articles in magazines or journals	• Polished text	Many publications are looking for material. Depends on having an experienced author able to write a quality piece that the publication will carry.

Fax Messages	• Text • List of fax numbers	Most business associations tend to use this method of communicating with their members and many have found it highly effective.
E-mail Messages	• Text • List of suitable e-mail addresses	Restricted only to those who have e-mail. Finding the addresses poses a challenge. The message may be ignored in the jumble of other messages streaming through the system.
Descriptions of the inventory and hotlinks from other Internet sites	• A brief description of the inventory..	Must make arrangements with the providers of the service to carry the description and establish the hotlink
Direct Mail	• Text of letter • Possible supporting brochures • List of potential targets	One of the most common marketing methods. Because of relatively low response rate, a large volume must be sent out and this carries significant costs.
Direct Response Marketing (*telephone calls to target market*)	• A script • List of potential targets (with telephone numbers) • Individuals who can make the calls	Labour intensive and costly. There is also considerable resistance to this form of marketing.
Speakers' campaign	• speaker's kit (which may include speech text, handouts, slides, brochures, or other supporting materials) • list of and invitations to suitable venues at which to speak	Need qualified, articulate speakers who understand the inventory and are willing to take the time to represent and promote it.
Booth at event or trade show	• Exhibition space and stand • Brochures or other marketing tools • possibly equipment to support a product demonstration.	Extremely costly. Reaches only a limited audience. The possibility of demonstration, however, can really "hook" users. Would be suitable for a highly focused audience such as a conference of exporters.

6. Quality Control

6.1 Testing

Testing the inventory with end users is critical to its development. The inventory will be tested during Phase II. The test can take two primary forms:

- distribution of a questionnaire to a relatively broad group of intermediaries and users, and
- focus testing with small group to which the inventory can be demonstrated.

Both types of testing will generate information that can be used for expansion and improvement of the product. It is likely, however, that the most cost-effective form of testing will involve small focus groups of these target users.

Among the key groups to be involved in focus testing will be: existing Canadian exporters, potential exporters, private-sector intermediaries (e.g. trade consultants), government information officers (e.g. from the CBSCs and ITCs), and representatives of ethnocultural business and professional associations.

The focus test should address the data contained in the inventory. Is it complete? Is it useful? Is the inventory structured appropriately? Is it easy to access and use? How should it be applied? Are there additional types of information to be included? Can the product be improved? If so, how?

A key issue is the impact of the product on the firm using it. Ethnocultural experts will be interested in that impact in terms of both promoting their products and designing improvements. Intermediaries will want to report on the success they have had in applying the directory. End users may be asked to comment on the content of the directory, the ease with which it can be used, and its impact on their business performance.

The focus groups should test not only whether the concept is appealing and appears useful, but how it might be strengthened. How could/should the network evolve? Who else should be involved in it? What additional resources would participants be prepared to put into the network to make it more successful? Are current products (inventory, evaluation templates) appropriate? Should other products be added?

In addition, if resources permit, it may be possible to use telephone interview for gathering opinions about the inventory, though this is more costly and time consuming. And those who order a hard copy of the inventory, could be encouraged to send in a survey reply card.

Any modifications to the product that seem desirable as a result of the focus group testing can be made in conjunction with the Contact! product line manager and his team.

6.2 Validation

To make the inventory useful, it will have to include the names of private, non-affiliated business people. There is concern, however, that the claims made by such individuals may be exaggerated or even false and that this will put the credibility of the entire project at risk.

The best way of providing validation is to follow the practices of the private sector. Individuals listed in the inventory would be asked to include lists of previous clients and references as evidence of their credentials. A disclaimer would tell users that the references were supplied by the individual and would urge users to verify those references in case of any doubt. This conforms with standard business practice and is relatively easy to administer. It is clear, however, that this approach depends entirely on those being listed to be accurate in describing their credentials and references and puts the burden of validation entirely on end users.

It should be added that the approach proposed conforms with the practice already followed by Contact!

Any other approach, (for example using an independent, self-regulating business association to perform the validation) introduces an additional element of complexity that may be premature. Should demand grow for the type of information presented in the inventory, there may be some demand for a formal association, but that would be up to those listed to decide for themselves.

6.3 Tracking and Monitoring

Mechanisms built into the inventory for keeping track of usage and user satisfaction will allow for spotting problems or pointing to areas where further development and improvement is needed. For example, a simple electronic counter might be embedded in the database to keep track of which areas of expertise generate the most interest. For example, familiarity with certain countries or languages may be in especially high demand. Knowing this will allow the project management to develop those parts of the database in such a way as to satisfy user demand.

7. The Pilot

7.1 Focus on Trade

It is appropriate to test the inventory with a sub-set of the information that will ultimately appear in the completed inventory. Trade is the issue where the advantages of diversity are most easily demonstrated. It is also the issue that will receive the most interest and support from both government and the private sector.

Within the broad realm of trade, a pilot version of the inventory will assemble the names of experienced trade consultants and specialists with ethnocultural links to other countries.

This pilot version would be designed so as to fit within Contact! using Internet connections. A version on disk could be made available to partners and intermediaries for direct testing and evaluation with end-users. To be fully informative, these tests should not be restricted only to government offices or databases. It would be more important to test the inventory with the private sector.

If the results of the pilot are encouraging, the findings will be used to improve the overall inventory design while extending it into other types of information and the other fields of domestic marketing and management.

7.2 General Approach

The research portion of Phase I will focus on gathering information for the pilot phase. It is proposed that the research involved in Phase I target trade-related ethnocultural resources, specifically individuals with international business experience coupled with ethnic and linguistic ties to key foreign markets. This will be supplemented by listings for ethnocultural business and professional organizations, bilateral business councils. It would also include descriptions of any related initiatives or databases being maintained by other groups across the country. Using these criteria, it is expected that some 200 names of suitable qualified individuals and organizations would be included in this initial version of the inventory.

The information gathered during Phase I would be tested as part of Phase II. The project manager engaged for Phase II will be required, as part of the contract, to conduct as test of the inventory with the following target groups:

- representatives of intermediaries (associations, business councils, legal firms etc.);
- a sample of exporting firms;
- representatives of government business service officers

The details of the focus testing process would be left up to the project manager, though it will be essential to coordinate the test materials and questions with the sounding board of partners and stakeholders.

8. Costs

8.1 Cost of Phase I: Concept and Design

The costs of Phase I have already been covered by Industry Canada. These include:

- Development of a project Action Plan;
- Design of the database content and architecture;
- Preparation of a business plan;
- Preparation of a prototype sample of the inventory;
- Gathering and entry of a significant sample (200 listings) of trade-related resources suitable for pilot testing in Phase II.

8.2 Cost of Phase II: Pilot

Item	Details	Estimated Cost
Promotion	Production and circulation of materials (brochures, faxable sheets); participation in trade shows and other relevant events.	$25,000
Project Evaluation	Capturing project objectives in the evaluation template, co-design of evaluation template., finalization of template draft, provision to FITT for distribution, collection of data, interpretation, drawing conclusions, preparing a report on key findings.	$15,000
Product Improvement	Modifications to the questionnaire and/or database structure, if these are suggested as a result of the evaluation.	$5,000
Additional Research	Costs associated with collection of additional listings (at this stage the process should be largely automated and visitors to the site would be able to register themselves for inclusion in the inventory).	$5,000
Total		**$50,000**

8.3 Costs of Phase III

Item	Details	Estimated Cost
Product Re-design	Incorporation of improvements suggested by pilot and research of additional fields.	$25,000
Marketing materials and promotional campaign	Development of product description and promotional materials. Costs associated with dissemination of promotional materials.	$25,000
Maintenance	Costs of maintaining and updating for first year	$40,000
Total		**$90,000**

8.4 Possible Sources and Contributions

The Department of Canadian Heritage is being asked to consider providing funding for Phase II as a logical follow-up to its support for the CEC project and the recent conference. The Department is further being asked to take an active role in shaping the evolution and implementation of the inventory and in the selection of a suitable organization to undertake Phase II.

Industry Canada may find additional federal partners who would be willing to contribute resources to the initiative. In the current fiscal climate, this has become extremely common with several departments and agencies contributing resources to projects. This has the additional virtue of encouraging cooperation and reducing the potential for overlap and duplication.

In the case of the ethnocultural inventory, potential co-funders might also include HRDC, and DFAIT as well as in some provincial departments tasked with responsibility for multiculturalism. Such contributors would be given an automatic seat on the sounding board of the inventory. If a sufficiently large number of these organizations were to be found, the contribution needed from any one of them would be correspondingly smaller.

8.5 Cost Recovery

Long-term success of the project depends on financing. Even if the initiative is structured around a relatively low-cost Internet site, and draws on the voluntary co-operation of its stakeholders, there will still be costs involved in gathering and maintaining the information core. There are several approaches that could be considered in seeking to establish a sound financial basis for the initiative:

Sale of materials
There is an opportunity to sell the materials generated through the initiative. For example, if anyone ordered a published hard copy of the inventory, this could be provided for a modest fee. In addition, as issues of security and encryption on the Internet are resolved, it may be possible to charge users for electronic access to the inventory. In other words, if someone opens the file and downloads it, they would be billed a modest fee, just as if they had ordered a hard copy.

Sale of services
As the inventory evolves, it may be possible for the network to provide and charge for certain services. For example, there are now precedents (Jobs Canada) in which network operators charge both those who want to be listed in an inventory and those who access entries in it. If the ethnocultural inventory establishes itself as a useful and popular product, it may be possible to charge business people to be listed in it, just as businesses pay to be listed in the Yellow Pages of the telephone book.

Sponsorships
Corporate sponsorships are becoming an increasingly popular way of financing certain projects. For example, the *export i* Knowledge Base on Mexico developed for DFAIT benefited from several hundred thousand dollars worth of corporate sponsorships. In certain cases, corporations are interested in having their names and logos associated with a product or a database because it complements their own interests and gives them exposure with the right kind of target audience. Some of the costs of the ethnocultural inventory might be covered by contributions from corporate sponsors with an interest in this issue.

9. Next Steps

As the work involved in Phase I draws to a close, it is essential to make preparations for Phase II. The critical steps involved include:

1. securing funding to pay for the costs associated with Phase II;
2. selection of an organization to manage Phase II, either through an unsolicited proposal or through public tender;
3. development of partnerships with stakeholders and the creation of a small sounding board.

A critical timing issue involves Export Month, which occurs annually in October. The events associated with Export Month are an ideal venue at which to market and promote the trade-related portions of the ethnocultural inventory. This means that the product should be ready for launch on or before October 1. Working back from that date, the Project Manager for Phase II should be engaged by the end of April to allow three months (May, June, July) for testing, and then two months for modification and further development.

Appendix A: Canada's Multicultural Reality

A.1 Ethnocultural Resources

A Diverse Population

Canada's population contains communities from virtually all parts of the world. According to the 1991 Census, some 42% of all Canadians reported at least one ancestor who was neither English nor French. What is more, many of these ethnic communities are quite numerous (see Figure 1).

Figure 1. Number of People Reporting at Least One Ancestor of Each Origin	
Total Population	26,994,045
British	12,047.920
French	8,389,185
German	2,793,780
Italian	1,147.775
Ukrainian	1,054,300
Aboriginal	1,002,675
Dutch	961,600
Polish	740,715
Scandinavian	717,195
Chinese	652,645
South Asian	488,370
Jewish	369,565
Black	366,625
Portuguese	292,190
Hungarian	213,705
Croatian, Serb etc.	200,435
Arab	194,885
Greek	191,480
Filipino	174,975
Caribbean	166,620
Spanish	158,915
Russian	158,850

Source: 1991 Census of Canada

Population Clusters

The most ethnically diverse city in Canada (and possibly the world) is Toronto. According to the 1991 Census, there were at least eight communities of non-British, non French origin that had more than 100,000 people.[1] The largest of these, the Italian community, was approaching 400,000 people and constituted 10% of Toronto's total population. With 250,000 people (6.5%) of the total, the Chinese community was second.

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[1] In descending order, they were the Italian, Chinese, German, South Asian, Black, Jewish, Portuguese and Polish communities.

Though not quite as diverse as Toronto, Vancouver is another city where several ethnocultural communities have created a distinctive blend of resources and markets. By 1991, according to the Census, 20.7% of Vancouver's population was of Asian origin, with the Chinese community constituting 11.3% of the total. What is significant about this Chinese community from a marketing perspective is that it is growing rapidly (by 64% between 1986 and 1991) and that it consists of a large proportion of recent immigrants. According to the 1991 Census, almost 70% of the Chinese community right across Canada consisted of people who had immigrated to this country. Analysis has shown that the spending and consumption patterns of recent arrivals to Canada differ significantly from those either of native-born Canadians, or immigrants who have lived in Canada for more than 10 years.

Immigration Trends

A significant number of Canadians immigrated from other countries. According to the 1991 Census, 4,342,890 people (16.1% of all Canadians) reported that they were born outside of Canada. These newcomers represent a direct link to other lands and cultures. Those with business expertise can be a useful bridge into foreign markets.

Not only is diversity an integral part of Canada's reality, it is likely to become more pronounced in future. The proportion of Canadians with at least one origin other than British, French or Canadian will continue to grow since Canada depends on immigration to compensate for its low domestic birth rate. Our sources of immigration are changing. In 1991, there was a smaller proportion of immigrants coming from traditional sources such as Northern Europe, the United Kingdom, Eastern Europe, and the United States than there had been in 1986 (see Figure 2). At the same time, there was a growing proportion of immigrants from non-traditional sources such as South East Asia, the Caribbean, South Asia, and South America.

Figure 2. Sources of Immigration to Canada, 1991

Origin	Total	% of all immigrants	% change over 1986
Total	4,342,890	100%	11%
Northern Europe	801,130	18%	-9%
United Kingdom	717,745	17%	-9%
Western Europe	431,545	10%	4%
Eastern Europe	420,460	10%	-2%
South East Asia	311,975	7%	45%
U.S.	249,075	6%	-12%
Caribbean	232,525	5%	20%
South Asia	228,795	5%	44%
South America	150,570	3%	33%
Western Asia	146,790	3%	90%
Eastern Africa	72,285	2%	58%
North Africa	53,215	1%	29%

Source: 1991 Census of Canada

Language Retention

Canada has the language skills, cultural familiarity, and contacts that are the prerequisites of successful international business. For example, the 1991 Census of Canada showed that 15% of Canadians have a mother tongue other than English or French. Almost a tenth of Canadians speak a non-official language in their home. And almost a fifth of all Canadians have some knowledge of a non-official language.

Figure 3. Non-Official Languages in Canada		
Type of Language Skill	Number	% of Total Population
Mother Tongue	4,058,530	15
Spoken in Home	2,449,440	9
Knowledge of a Non-Official Language	4,859,000	18

Source: 1991 Census of Canada

Figure 4 offers an indication of the most common non-official languages spoken in Canada. Many of them are the languages spoken in some of the largest and most dynamic markets of the world.

Figure 4. Most Common Non-Official Languages in Canada	
Language	Number Familiar with it
Italian	701,900
German	685,000
Chinese	557,300
Spanish	402,400
Portuguese	254,500
Ukrainian	249,500
Polish	239,600
Dutch	173,300
Punjabi	167,900
Arabic	164,400
Greek	161,300
Tagalog	137,000

Source: 1991 Census of Canada

A.2 What Skills?

The diverse ethnic make-up of Canada's people provides this country with a powerful set of economic resources that if properly deployed, can give business a competitive advantage. Because Canadians originate from many different parts of the world, they possess linguistic skills, cultural familiarity, international contacts, and experience in

different business environments. All of these are decisive advantages that can benefit Canadian businesses seeking to develop footholds in foreign markets.

Moreover, such skills can be used to do more than just help firms enter overseas markets. They can also support more effective marketing to distinctive ethnocultural communities within Canada. The same linguistic skills, cultural familiarity and network of contacts can be used to help companies understand the preferences and dynamics of ethnocultural markets within Canada.

Finally, the same skill set can help companies and their managers deal more successfully with an increasingly diverse work force. It can alert them to sensitivities and areas of potential conflict. It can help them develop effective strategies for accommodating diversity and reconciling differences. And it can help them forge inclusive policies that can optimize all the skills and capabilities offered by their employees.

A.3 Business Needs

Marketing

Because many of these ethnocultural communities are concentrated in larger urban areas and are replenished by a continuous flow of new immigration, some of these communities constitute distinct markets that behave in unique ways.

The growing diversity of Canada's domestic markets has attracted considerable attention over the past decade. The opportunity has been extremely well documented, especially by Marketing Magazine, which annually devotes an entire issue to ethnocultural markets. The Magazine's interest in this topic has also been reflected in its recent *Multicultural Marketing Symposium*, held in Vancouver in December of 1994.[2] The symposium dealt extensively with the issue of domestic marketing, using concrete examples from the ethnocultural communities that were prominent in the Vancouver areas (Indo-Canadians, Chinese, Hispanics, Filipinos and Italians). A key message repeatedly reinforced in the symposium was the size, wealth and business opportunities represented by these large and growing markets. By understanding their characteristics and dynamics, companies can improve the way in which they reach those markets. Key to success is an appreciation of cultural issues and this is where individuals with links in the communities can be extremely helpful, not just as translators, but as participants in shaping appropriate messages.

Another view of ethnocultural markets in Canada has been offered by the Canadian Advertising Foundation's Race Relations Advisory Council on Advertising. In its research and the video and brochure that was based on it, the Council presents a powerful argument for the inclusion of visible minorities in advertising. Its findings suggest that this is a way of becoming more effective in reaching a visible minority market worth $78 billion annually, without any negative reaction from majority advertising targets.

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[2] Marketing Magazine, *Multi-Cultural Marketing Symposium*, (Vancouver, December, 1994).

Finally, Agriculture and Agri-food Canada commissioned a report on Canada's markets for ethnic foods.[3] The study draws attention to the size, importance and growth of domestic markets for ethnic food, and suggests that there may be significant opportunities for import substitution by forming better linkages between ethnic food distributors and producers.

These are only three examples of the types of business opportunities that businesses have seized by addressing Canada's domestic ethnocultural markets. Indeed, evidence for the concrete opportunities to be found in doing so is now overwhelming.

Management

One business implication of this country's growing ethnocultural diversity is that the work force which business people will draw on will also be more diverse. It will include a greater proportion of visible minorities and people from non-European cultural backgrounds.

As a result, business people, especially those working in larger corporations, will face the challenges associated with managing an increasingly diverse work force. This goes far beyond traditional equity issues pertaining to hiring, compensation and promotional practices. From a business perspective, perhaps the most important challenge is to develop strategies of inclusion to ensure that all employees within a company reach their full potential and have an opportunity to make a contribution that represents the best of their abilities.

There is a growing body of scholarly research supporting the view that ethnoculturally diverse companies can be more productive and innovative. In other words, an appreciation of diversity can actually help a company improve its performance.

> *Managing diversity can create a competitive advantage. Potential benefits of this diversity include better decision making, higher creativity and innovation, greater success in marketing to foreign and ethnic minority communities, and a better distribution of economic opportunity .... Culturally diverse groups relative to homogeneous groups are more effective both in the interaction process and job performance. In addition, a number of companies such as Levi-Strauss, Xerox Corporation, Apple Computer and Monsanto Company are also emphasizing high participation and involvement through the development of work teams ... Casual observation of R&D laboratories in North America clearly reveal that diverse work forces are an asset.[4]"*

The Conference Board study *Dimensions of Diversity*, reinforces this view by offering examples of Canadian corporations that have responded to the challenge of managing diversity. The study demonstrates that there is a growing appreciation of diversity among some of Canada's more prominent corporations and this is to be found in the way those companies manage their employees, tapping into the skills and ideas to enhance both their

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[3] Agriculture and Agri-Food Canada, *A Look at Ethnic Food Markets in Canada* (1994).
[4] *Jain and Verma, Proceedings of the International Conference on Managing Human Resources/Labour Relations Diversity for Global Competitiveness, p.119.*

domestic and international activities. Perhaps equally important, however, it is also reflected in the way these firms identify, develop and deploy their own internal human resources in support of those strategies. Several of the case studies show how companies have integrated employees with specific linguistic and cultural skills into their strategic planning, using their insights to improve internal management, identify new opportunities and develop markets both at home and abroad.

International Trade

It has frequently been said that Canada is now part of a global economy. Globalization means that the traditional distinction between domestic and foreign markets has been eroded. Major international firms are increasingly active in our domestic markets and even locally oriented Canadian businesses must learn to compete against the best in the world. That requires becoming more effective at addressing our own domestic markets than our foreign competitors are. It also means competing in foreign markets. In either case, Canadian business must become extremely good at deploying every one of this country's linguistic and cultural advantages, especially when those advantages can provide useful insights and access.

There is a general acceptance of the fact that the diversity of Canada's human resources can play a decisive role in Canada's international trade. For example, this point is made very clearly in *Asian Canadians: Canada's Hidden Advantage*, a report on regional business round tables held by the Asia-Pacific Foundation. At the same time, two directories, *Multiculturalism Mean Business,* published by the Department of Canadian Heritage and the *Quebec Directory of Business People of Asian Origin* published by Industry Canada, demonstrate the extent to which there are both ethnocultural associations and individuals with the skills, contacts and expertise that can be of decisive significance to businesses seeking to enter foreign markets. Finally, the Conference Board study *Dimensions of Diversity*, offers concrete examples of the way in which large corporations have deployed their own internal human resources to promote their international marketing efforts.

A.4 The Challenge

Awareness

Perhaps the most fundamental element is awareness. Some corporate leaders are already aware of just how attractive the business opportunities can be if diversity is deployed appropriately. The key is to generalize this awareness and make sure that it reaches those who are in the best position to benefit from a more strategic deployment of ethnocultural resources. For example, in the case of using diversity to open up new markets in East Asia, the Asia-Pacific Foundation has said that:

> *One of the key themes to be raised by Roundtable participants was the need for greater sharing of information on the opportunities for Canadian trade and investment in the Asia Pacific and the "advantage" this country enjoys as a result of its Asian Canadian population. Many small businesses simply do not know how or where to find this information. Some have not recognized the extent to which Asian Canadians can provide firms with competitive advantage in the region either as employees or potential*

business partners. Others simply do not know how to harness this untapped resource for mutual advantage.[5]"

Similar arguments can be made for applying diversity to other trading, marketing or management opportunities.

Linkages

More mechanisms are needed to improve linkages among stakeholders with an interest in the economic value of diversity. As the Conference Board has said: *"Developing a 'one-stop shop' for information on ethnocultural resources would help mainstream business gain access to the skills and expertise in Canadian ethnocultural communities.*[6]" It has also argued that *"Networking between Canada's mainstream and ethnocultural business communities would provide organizations with important means of learning about opportunities abroad."*

The same point has been made by the Asia Pacific Foundation which has said that *"more opportunities are needed for non-Asian Canadian and Asian Canadian business people to meet each other face-to-face, to share ideas, information and business opportunities."*[7]"

Accessibility of Information

In addition to awareness and mechanisms to improve linkages, there is scope for the development of more comprehensive information, and inventory of ethnocultural resources as well as diagnostics and planning tools that could guide business people in deploying these ethnocultural resources to their full potential. Especially useful may be better and more readily accessible information on what resources and expertise are available as well as how best to use those resources. Such information could also include the kinds of case studies of best practices that the Conference Board has used recently to illustrate how companies are applying diversity.

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[5] *Asian Canadians: Canada's Hidden Advantage*, p. 5.
[6] *Dimensions of Diversity*, p. 6.
[7] *Asian Canadians: Canada's Hidden Advantage*, p. 6.