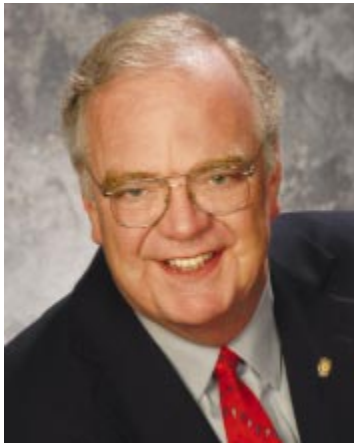




Canadian Reps Provide Their Particular Value-Add



Gerry Duncan



Lionel Dearling



Scott Lightfoot



Art Pittman

Many MANA members in Canada are quick to point out the need for U.S. manufacturers to understand the differences that exist between the two countries. At the same time, however, they are just as quick to point to the existence of those differences as a major reason why they are so valuable for manufacturers looking to sell into the Canadian market.

“When a manufacturer looks at the United States as a market, for instance,” explains Gerry Duncan, “it’s very easy to divide that country into four sections (Northeast, South, Midwest and West) and market accordingly. It’s not so with Canada.”

Duncan, who heads Gerald Duncan & Assocs., Guelph, Ontario, points out that “85% of our population lives within 100 miles of the border with the United States. People and markets located farther away from the border are very different, and should be treated differently. In addition, there are some U.S. manufacturers who feel conducting business in Canada is just as simple as it is for them in Ohio or Georgia. It doesn’t take long for them to find out that they’re wrong.”

Or, as Lionel Dearling, Enviro Packaging of North America, Peterborough, Ontario, explains, “One of the things U.S. manufacturers have to appreciate is the fact that selling into Canada isn’t like selling into the 51st state. Our laws, income tax, and contracts are different. If a manufacturer isn’t aware of those differences, he’s going to have a difficult time of it.”

Seeing the Differences in Canada

Voicing agreement on those points is Scott Lightfoot, Canada Process Equipment Corp., Mississauga, Ontario. According to Lightfoot, “There

are some manufacturers who tend to view Canada as just one territory, instead of looking at the different parts that make up the entire country. That's a little bit like looking at Australia and saying all parts of that country are the same."

In favor of many U.S. manufacturers, however, is that most of the reps we interviewed point out that manufacturers who have been at it for a while appear to be quick learners. As a result, their problems in learning about the country appear to be limited. However, reps also point out that the manufacturer learning process has only been accomplished through the educational and communication efforts of their Canadian reps. Hence, their value in the process.

In addition to the need to consider all the parts that make up the sum of Canada, Duncan follows with some other major areas that U.S.-based manufacturers ought to be aware of:

- **Banking** — He points out that because of the number of banks that exist in the United States, there can be some problems when it comes to handling accounts with Canada. "I have one manufacturer in particular who deals primarily with his hometown bank in the United States. There have been occasions when he's been hit with 30%-35% fees for various transactions for orders in Canada." Duncan maintains that one way around that potential problem is for a manufacturer to have an account with a Canadian bank. When that's done, transactions usually flow through with little or no problem.

Another Canadian rep, Art Pittman, All Star Marketing Services, Inc., Bedford, Nova Scotia, partially addresses that concern by forming Canadian divisions for some manufacturers. "There's a negative impact on U.S. banks when it comes to cashing Canadian drafts. In addition, some manufacturers in the United States may find their deposits are held up for 20-30 days."

Pittman adds that in addition to the banking concerns, there is also much that U.S. manufacturers should know when it comes to shipping across the border, duties, tariffs and credit-granting problems. "We go the extra mile in all of these areas to serve both our U.S.-based manufacturers and our Canadian customers." Some of the things U.S. manufacturers should be aware of are:

- **Fluctuations between U.S. and Canadian dollars**

— Duncan and other Canadian-based reps point to this as a consistent concern for U.S. manufacturers. As Duncan explains, "The U.S. supplier wants to do the invoicing for the order in U.S. dollars because he doesn't want to have to play the exchange-rate game. For that same reason, the customer would rather have everything done in Canadian currency. From my experience, manufacturers who have established some sort of warehousing function in Canada have done the best job of limiting this problem."

- **Perceptions** — According to Duncan, "I don't think U.S. manufacturers know as much about Canada as we do about the United States. Too often, when people think of Canada, all they think is that it's cold up here. Conversely, we're very much aware of what's going on in the United States in terms of business, politics, and even social activities."

- **Keeping an open mind** — Finally, Jacques Singer, Onomat Canada, Inc., Rosemere, Quebec, points out how important it is for U.S.-based companies to keep an open mind and have a willingness to adapt if they want to succeed in Canada. "Consider the experiences of several U.S. retail stores here in Quebec," he points out. "When they came here, they immediately seemed to be everywhere, and just as quickly they closed. Why? Because initially they didn't adapt to the different market they were looking to impact. In their favor, they changed the way they were presenting themselves, they reopened, and now are doing very well. The same is true with U.S. manufacturers. If they want to succeed in a different market, they have to learn all they can about the market, and present themselves in a different manner." □

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One Spectrum Pointe, Suite 150, Lake Forest, CA 92630-2283 • Phone: (949) 859-4040 • Toll-free: (877) 626-2776

Fax: (949) 855-2973 • E-mail: mana@manaonline.org • Web site: www.manaonline.org

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