

Exporters financial assistance 1777

[Business](#), [Marketing](#)



ADVANCED EXPORT MARKETING

MAJOR ASSIGNMENT

There are already many federal programs that assist exporters in various ways including Program for Export Market Development (P. E. M. D.), Canadian International Development Association (C. I. D. A.) and Canadian Commercial Corporations (C. C. C.). These programs help exporters secure and enhance access for Canadian goods and services in world markets. They also strengthen Canada's international marketing effectiveness and help promote awareness of export markets and opportunities. These exporting programs also promote Canada's economic, political, security and other interests, both bilaterally and through international institutions. They advise the government on international developments and on the international implications on the domestic policies.

There is a lot of help out there for exporters but new programs should be introduced and old programs should be updated. I will introduce a new program where anybody can apply for help in exporting which will be called "A FOOT AHEAD "(A. F. A.). A. F. A. will be fully examined and explained in the following report and I will also show some very interesting improvements to the existing government exporting program called P. E. M. D.

A FOOT AHEAD (A. F. A)

There are many problems facing Canadian companies in gaining export competitiveness. A. F. A. wants to reduce these problems and make it much

easier for the exporters to crack the foreign markets. These problems consist of:

1) Lack of market analysis

2) Lack of market strategy

3) Pricing problems - Labour

- Transportation cost

- Economics of scale

- Outdated manufacturing facilities

4) Distance from market (serviceability aspects)

5) Lack of management initiative

(no long range plans - lack of know how)

6) Subsidiary relations

(affects marketing and research and development)

7) Risk takers - lack of - (companies and banks)

A. F. A. knows these problems exist and wants to take care of them for the exporter who may be too confused and/or unsure of themselves to become involved in foreign investment.

A. F. A. consists of 7 graduates from the Sir Sanford Fleming College International Trade Program. Each of its staff are fully capable of helping any exporter in the above problems. With the quality of education learned from the profs at Fleming no solution is unattainable.

For each of the above problems, people will be assigned to fully understand the exporters situation and apply there capabilities in helping them out. The first employee, we will refer to him as Das Fut, will be responsible for finding business's that look as though they are capable of creating a profit from exporting there service or good that don't already do so. So instead of companies coming to us, we will go looking for them to export. Das Fut will obtain documents (balnce sheets and company profiles) and statistics on domestic markets and if they look promissing he will then suggest back to headquarters that these companies should export. Advantages of export include:

- 1) Increased sales
- 2) Higher profits
- 3) Lower unit costs of production
- 4) Greater utilization of plant capacity
- 5) Offset cyclical downturn. (economical and seasonal)
- 6) Market dependence avoidance
- 7) Extended life of your products

8) New knowledge and experience

Our people at A. F. A. will assess the information given to us about the company in question. If we all agree that the business will be successful in exporting, the next step will be taken. Someone will be sent to foreign well populated markets where people have money to spend to find out if there product or service will sell. But before this step is taken the company will be contacted. We will explain to them why we think there company will be successful and how we can help them in exporting.

Since many powerful people know how successful S. S. F. C. International Trade graduates usually become, we have had no problems in finding investors in A. F. A. Our expensives may be a little out of hand but the return will be tremendous.

Our people will scour the world looking to find places to sell these business's products. They will complete preliminary surveys and find out the potential markets. Our people are aware of all foreiegn cultures and communicate in a number of languages. Success is a given.

Once our field placement consultants send us the information necessary for A. F. A. on the most successful country to export to

we will continue to our next step. Footing the bill. This is where the big bucks are made for A. F. A. and the companies. A. F. A. tends to look at the business's that have great domestic shares of the market but cannot penetrate foreign markets because of capital problems. These business's may or may not know that they could be successful in other markets but

don't bother with it because they don't have enough cash or are afraid to get a bank loan.

A. F. A. will support the investment needed to export to other countries. This is not a loan but more like a partnership. A. F. A. is so confident in its employees that they are willing to foot all of the exporting costs with no risk to the company. This is when negotiations will take place with the companies and A. F. A. to come to an understanding on how profits will be divided. Both will benefit but A. F. A. will stop investing money when the company is able to do their own marketing, administration and shipping. But in the negotiations there will always be a clause saying that A. F. A. will receive a percentage of monies after our help is no longer needed.

This is why A. F. A. will always be financially stable. A. F. A. is willing to do all the work in finding a company that should be exporting but can't, doing the preliminary surveys, finding the potential markets and investing all the money in the project. In return there will be huge capital gains for both the business's and for that ingenious program " A Foot Ahead "

IMPROVEMENTS TO P. E. M. D.

It is understood that P. E. M. D. is to increase Canadian prosperity and competitiveness in the international marketplace but not all business's are able to apply for it. I believe some moderate changes should be made to the program so that it will

be easier for more companies to enjoy their benefits. Canada has hundreds of thousands of companies out there and all should be aware of the P. E. M.

D. program. P. E. M. D. has helped 25, 000 Canadian businesses in marketing their products and services abroad and has supported activities that exceeds 11. 5 billion dollars but there is always room for improvement.

P. E. M. D. annual contribution per application is a minimum of five thousand dollars and a maximum of fifty thousand dollars which I agree with but the company eligibility is what I disagree with. It says in P. E. M. D. that eligible companies that have sales annually greater than 250, 000 dollars and less than 10 million dollars, and or less than 100 employees for a firm in the manufacturing sector and 50 in the service industry will be given preference.

I believe that annual sales of 50 thousand dollars should be able to get P. E. M. D. assistance. These smaller companies deserve the same treatment as the rest. If say a company of annual sales of 50, 000 dollars can't export because of inaccess of funds for a new venture they could be losing money. They may know that their product or service will sell abroad but are unable to take a shot. With the help from P. E. M. D. this smaller company may one day turn into a multinational enterprise.

One other way I believe P. E. M. D. could change to help out exporters even more so is to advertise. Of all the businesses in Canada that we have I'm sure only a minimal amount of them know P. E. M. D. exists. The Canadian government should either send out pamphlets, or create a web site, or advertise on television; some how they have to let every Canadian company know about this beneficial program.

The Canadian government has only so many resources to work with and money really isn't one of them. The financial assistance programs for exporters do truly help. I believe that we as the Canadian public should stand behind these programs because the return will be beneficial to us and the rest of the world.

We help out Canadians trying to sell their products or service to different parts of the world. In return different countries are able to buy and use and enjoy our products and services for their benefits. Therefore money spent on our products in foreign countries brings money into our country creating higher employment and more life satisfaction.