



Export Readiness Brokers and Distributors – Your Partner in the Market

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Partner Profiling and Selection

Determine what you want in your partner

- Attributes
- Abilities
- Market reach – specialize in the channels you want
- Experience
- Commitment
- Scale – geographic requirements, ability to cover the needs of your customers

Establish your selection criteria – may include:

- Staff level
- Financial position
- Warehouse capacity
- Ability to provide after-sales service

Identify potential candidates – You can work back from the retail/food service customer.

- What distributor do they currently use?
- Are they happy with them?
- Do they carry more than one line?

In **Mexico**, agents (who do not take title to goods), are commonly used due to the tax structure where income and value-added sales taxes are applied each time the title is passed.

Evaluate the candidates based on:

- Market presence – products currently represented, market segments served, top customers and competitors, company size
- Commitment to your product – time, resources dedicated to your line, market knowledge, staff skill levels, percentage of portfolio that you will represent (if your products are a significant part of their business it will get more attention)
- Compatibility – business, cultural, and operational

Working with your Partner

Conduct initial market analysis

Negotiate an annual plan (you and your partner) - sales targets, pricing, geographic coverage, etc.

Have periodic performance reviews (market visits)

Have a two-way evaluation at year-end

Japan has a very complicated and multi-layered market access and distribution system. The right partner is critical to success in the Japanese market. For most Alberta companies, a strong commitment from a distributor/wholesaler (which have the key contacts needed in the retail and food service industries) is ideal as the rest of the system will come together as a result.

Lana Gudmundson, Trade Development Officer for Japan

Elements of a Good Partnership

Regular communications
Clear expectations (and in writing)
Pro-active sharing (good and bad)
Mutual respect
Flexibility

Notes:

- Register your trademarks in the target market to protect your brand. Otherwise the brand could become property of your partner.
- It is common to take 12+ months to launch a new product.

Marcia O'Connor
International Marketing Division
www.agrifoodaerta.ca