

EDC WOMEN IN TRADE SESSION
September 3rd, 2020

A PATH TO NEW MARKETS





SPEAKERS

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AGENDA

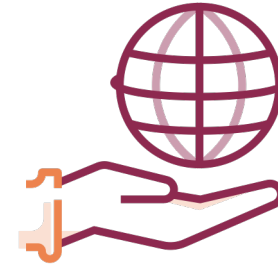
- **Introduction to EDC and FITT**
- **EDC's Commitment to Women-owned and Women-led Businesses**
- **WIT Keys to Success**
- **A Path to New Markets**
- **EDC's Trade Toolkit**
- **Q & A**

Export Development Canada is
Canada's export credit agency.

**OUR MISSION:
HELP COMPANIES
GO, GROW AND
SUCCEED IN MARKETS
ACROSS THE WORLD.**



**WE HELP
CANADIAN
BUSINESSES
OF ALL SIZES
GO GLOBAL**



Market intelligence,
economic and
export reports



Financial products
and services – risk
management experts



Connections
Program

COVID-19 HAS DISRUPTED CANADIAN BUSINESSES AND THE ECONOMY.

Alongside federal partners and Canadian financial institutions, EDC has a role to play in responding to the current economic crisis and we have expanded our mandate.

EDC'S WOMEN IN TRADE STRATEGY

“More than ever, EDC is committed to engaging women-owned and women-led businesses with greater intention. Our goal is to increase our support for Canadian women in trade, serve their needs and inspire them to grow and scale through exports. Not only is it our priority but helping women is a large growth opportunity for EDC and for Canada. We have a strategic plan to focus, invest and measure our progress in supporting women-owned and led businesses.”



THE FOUNDATION



Announced initial \$250M target



Began proactive outreach to women-owned and -led businesses



Deepened relationships and joint initiatives with key partners (TCS-BWIT, BDC)



Active member of the Government of Canada's Women's Entrepreneurship Strategy



Onboarded Corporate Lead to execute on business plan

Launched a women-focused initiative announcing a \$250M target to facilitate more trade opportunities for Canadian women-owned and -led companies using financing and insurance

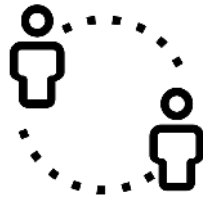
EDC WOMEN-IN-TRADE STRATEGY - 5 PILLARS



Awareness



Educate



Connect



Enable



Empower

Success...?

...having more women-owned and women-led companies exporting and growing in Canada



SUCCESS STORY
SAMPLER: GOING
WORLDWIDE ONE
SAMPLE AT A TIME

WHY EXPORT?

EXPORTERS DO BETTER

Generate **121%** more revenue

Are **25%** more innovative

Experience **20%** less risk

Women are starting new businesses at

1.5x

The rate of men

Women- owned businesses account for

16%

of all Canadian SMEs

Only

11%

of all women- owned Canadian SMEs are

exporting

Women-owned enterprises increased by

250%

the proportion of revenues derived from exports since 2011

12,500+

Women exporters in Canada, and vast opportunity remains for more!

1.5B

Potential **Customers** in markets where Canada has FTAs

Women SME **exporters** are

4x

more likely to be larger than non-exporters

A modest ↑ in # women-owned SME's would add

\$150B

to Canada's GDP

WAYS YOU CAN START EXPORTING

✓ Follow existing customers in Canada to their other locations around the world

✓ Partner with a complimentary business

✓ E-commerce - Leverage technology or new distribution methods

✓ Direct investment in market

KEYS TO SUCCESSFUL EXPORTING

- Knowledge and preparation
- Find out who the competitors and the customers are in the target market
- Determine your unique value propositions
- Understand Canada's Free Trade Agreements and how they could benefit your business to access \$1.5B new customers
- Invest time to understand the culture
- Develop a market entry plan
- Make sure you have enough human capital *and* working capital – plan your resources

Women-in-trade: A Path to New Markets

What you'll learn during this session:

- **How to select a market: the process, tools available and strategies to narrow and choose your first global market**
- **International Costs Considerations before entering an international market**
- **The importance of having an Export Plan and how to use it to apply for grants and government programs**

HOW TO SELECT A MARKET: THE PROCESS, TOOLS AVAILABLE AND STRATEGIES TO NARROW AND CHOOSE YOUR FIRST GLOBAL MARKET

Market Size and Growth

Examine target market data from the last three to five years and consider the following questions:

- 1 | Has market growth been consistent year over year?
- 2 | How much is spent annually on products or services like the ones offered by the organization?
- 3 | How many potential buyers are there likely to be?
- 4 | Are there a lot of products or services already in the market that will be competition?
- 5 | Can the organization match or beat the prices competitors are charging?
- 6 | Are there cultural factors that may affect the marketability of the product or service?
- 7 | Is the market industrializing rapidly? If so, can products or services be developed to take advantage of this?
- 8 | Has there been market growth even during periods of economic recession?

Market Accessibility

- 1 | Would the organization's products or services be subjected to high tariff and/or non-tariff barriers?
- 2 | Are there already many suppliers of the type of product or service, making it more difficult to access the market share needed?
- 3 | Is the product or service the organization wants to import/export banned, restricted or controlled in the target market?
- 4 | Are there safety or testing requirements for the product or service?
- 5 | Are there any non-preferential or preferential rules of origin that the product or service must comply with?
- 6 | Will shipping the product or providing the service to the market be expensive and/or logistically complicated?

Business and Political Environment

- 1 | Is the economy stable and growing?
- 2 | Are governments at the national and regional levels friendly to foreign organizations and investors?
- 3 | Are there any issues with currency exchange, transfer or convertibility?
- 4 | Is the political system stable?
- 5 | If assets are placed in the country or invested there, are there risks of political upheavals that could threaten the assets and investments?
- 6 | How strong are the local legal and governmental institutions?
- 7 | Is there widespread corruption?
- 8 | What is the cultural distance between the domestic or current operations and the potential new target market?
- 9 | What is the language of business in the target market? Will it require resources for interpretation and translation for business dealings and product or service modification?

Market Research: Key Research Considerations for Exporters

Macroeconomic Data

Gross national
product
(GNP)

Gross domestic
product
(GDP)

Purchasing
power parity
(PPP)

Household
disposable
income

Market size

Market
potential

Market
resources

Market sectors

Infrastructure

Urbanization

Market Research: Cultural and Lifestyle Information

Involves several areas of research:

- Material culture
- Cultural preferences
- Languages
- Education
- Religion
- Ethics and values
- Social organization

Prioritizing Markets for Further Investigation

- Largest number of potential customers
- Fewest potential barriers (legal, political, financial)
- Fewest competitors
- Most stable political environment
- Highest growth economy

COST CONSIDERATIONS BEFORE ENTERING A NEW MARKET

COST AND PRICING ELEMENTS OF FINDING CUSTOMERS INTERNATIONALLY



The following are unique costs for global sales:

- International business travel
 - Visa costs, airfare, accommodations, etc.
- Participation in trade fairs and missions abroad
- Hiring of foreign agents selling services
- Translations and marketing

Incremental Costs of Doing Business Abroad

Basic cost item	Factors resulting in additional costs in foreign transactions
Market research, marketing and sales	<ul style="list-style-type: none">· Foreign travel· Additional communications, e.g. telephone, fax, couriers· Participation in international trade fairs and exhibitions· Credit checks on foreign importers/suppliers· Translation and legal services· Development of language skills
Manufacturing	<ul style="list-style-type: none">· Product modification and adaptation to suit the requirements of the target market· Product testing and regulatory acceptance, especially for food items

Basic cost item	Factors resulting in additional costs in foreign transactions
Distribution	<ul style="list-style-type: none"> · Exporters' and agents' services · Servicing of foreign accounts
Finance	<ul style="list-style-type: none"> · Financial instruments, e.g. letters of credit and documentary collections or confirmations · Export credit insurance · Additional financial services, e.g. purchase of receivables at discount · Exchange rate movements, or protection against such movements

THE IMPORTANCE OF HAVING AN EXPORT PLAN AND HOW TO USE IT TO APPLY FOR GRANTS AND GOVERNMENT PROGRAMS

Some of the key contents of an Export Plan

Executive Summary

Organizational Profile

Sales and Marketing Objectives

Situational Analysis

Product and Service Offerings

Market Analysis

- Political and Economic
- Socio-Cultural
- Legal
- Business
- Competitors
- Distribution

Some of the key contents of an Export Plan

Customer Profiles

Sales and Marketing Strategies

Sales and Marketing Action Plan

Budget

- Revenues
- Expenses



Evaluation, Controls and
Contingency Plans

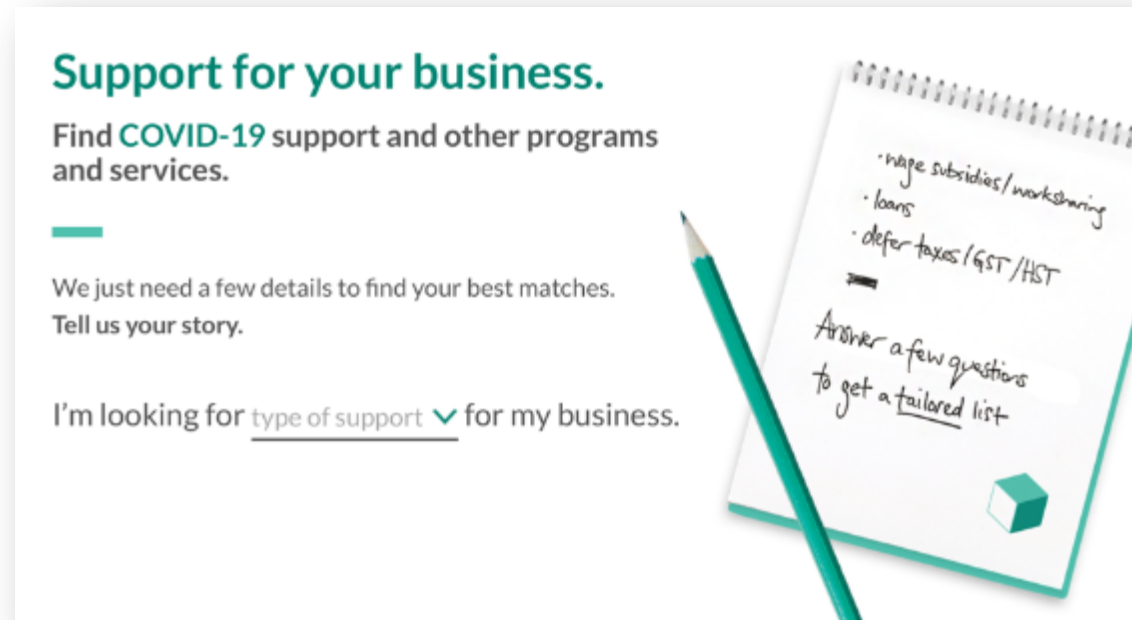
Pro-Tip

Include a Cash
Flow statement

Resources to build an Export Plan

- Webinar by EDC: [“Action Plan: Mapping Out Your Export Strategy”](#)
- Article by EDC: [“How to build an export plan”](#) & [Women in trade: What it takes to succeed](#)
- Article by BDC [3 essential steps for entering a foreign market.](#)
- Government Resource: [Get ready to Export: My Export Plan](#)
- BDC’s [Marketing Plan Templates](#) that you can download for free

Government Grants



[Innovation Canada](#) online search tool – answer a few questions to filter through all available programs based on which are relevant to you.

- You can also [speak with an Innovation Advisor](#) by calling **1-855-534-8433**.
- They can provide **one-on-one** support with determining which program(s) might be a fit for you.

Organizations supporting women-owned businesses

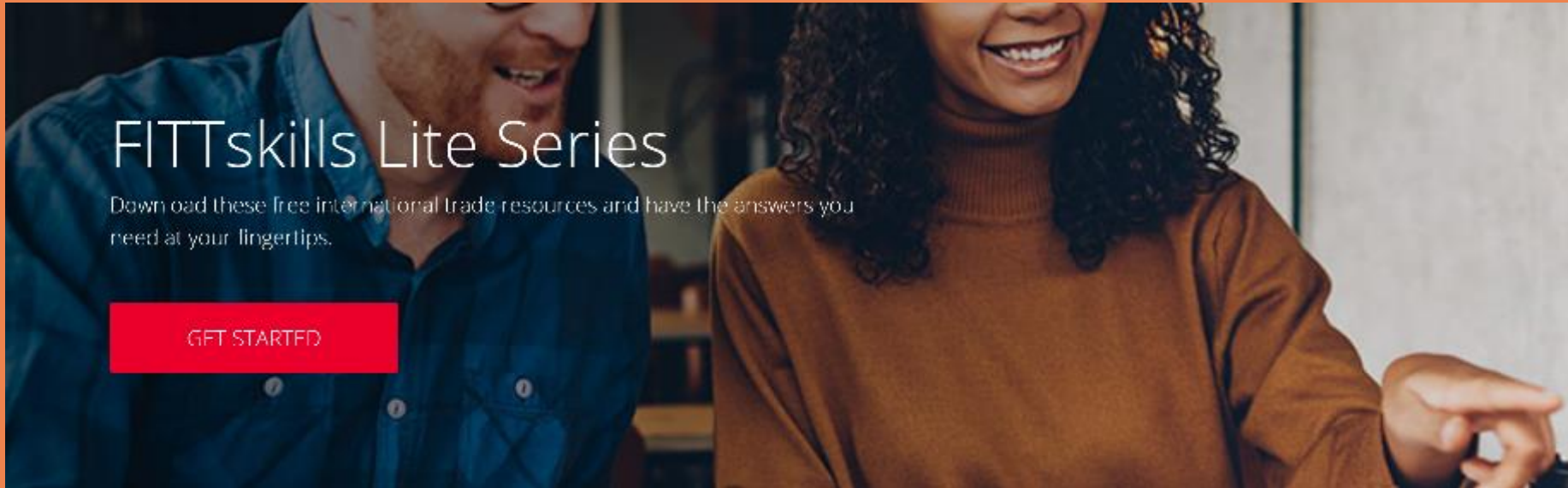
The [Business Women in International Trade \(BWIT\) program](#) supports Canadian women entrepreneurs who are selling internationally. You can find tips, success stories and information funding opportunities and trade missions for women-owned businesses. You can contact BWIT for any information at bwit@international.gc.ca.

[Canada Business Ontario](#) has information and resources. They have a [Women in Business Guide](#) that you can review as well.

Consider registering with [WeConnect](#) and [WBE](#). These directories are leveraged for matchmaking between women businesses and companies with supplier diversity programs.

[Women of Influence](#) offers programs such as mentoring, and connections. You can contact them at info@womenofinfluence.ca.

FITTskills Lite Series – Free Guide Downloads



- [Cash Flow Management](#)
- [Marketing with Digital Technology](#)
- [Analysing and Mitigating Currency/Foreign Exchange Risks](#)
- [Intellectual Property Protection](#)





FINANCING TOOLS

& How EDC Can Help

GROWTH: DON'T GET CAUGHT OFF GUARD

- Ensure you have access to capital required for contracts
- Explore how work-in-progress can be financed
- Consider insurance for risk mitigation
- Financing international assets such as Foreign A/R, inventory and equipment
- Contracts may require performance, bid or advanced bonds (L/Cs)
- Manage foreign exchange risks



Women in Trade Investment Program

- › Program launched in May 2019 to help close the gap in access to capital for women entrepreneurs, increased to \$100M fund in 2020
- › To support earlier stage Canadian woman-owned or -led companies that are strong candidates for significant export growth
- › Funds comes in the form of equity capital through direct investments or investments in Canadian venture capital funds that demonstrate a commitment to gender diversity
- › Canadian companies owned and/or strategically led at the C-suite level by 1 or more women
- › Min CAD \$1M per year revenue run rate
- › Commercialized, solid revenue traction and accelerating with significant export growth potential, focused on sales growth and managing cashflow, stabilizing ops



CREDIT INSURANCE

- Risk transfer
- 90% coverage against non-payment
- Offer customers more competitive payment terms
- Increased access to cash from financial institution

EDC'S TRADE TOOLKIT

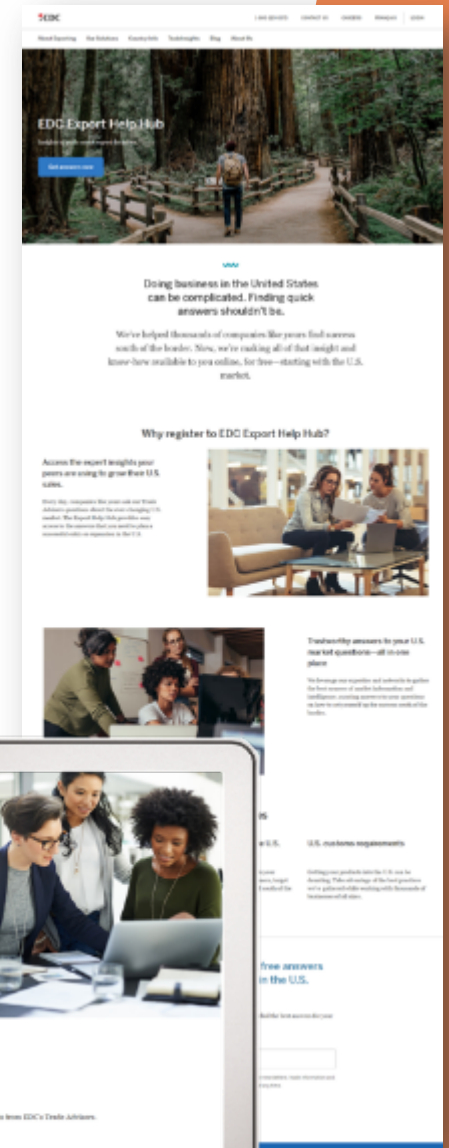
Access these tools by creating a free MyEDC Account



EXPORT HELP HUB

A curated, digital knowledge hub wherein companies can access the insight and know-how on expanding internationally— currently servicing U.S. & European Union markets.

- Access the expert insights your peers are using to grow their U.S. & EU sales.
- Trustworthy answers to your U.S. & EU market questions—all in one place



EDC INLIST

EDC InList draws on Export Development Canada's extensive global network, to bring you trusted service providers in Canada and in markets around the world.

Connect to the right contacts, and put your export plans in motion.

EDC InList

Building relationships is the key to success in international markets—but finding the right contacts takes time. EDC InList connects you to service providers you can trust.

[Search EDC InList now](#)



EDC COMPANY INSIGHT

Help to answer:

“Should I get into business with this company?”

- *Is this a real company?*
- *What are the financial risks?*
- *Is there a reputational risk?*

EDC Company InSight

The screenshot shows the EDC Company InSight report for Alpha Industries. The report includes the following information:

- Company Information:**

Company Name	Alpha Industries
Website	ipo.gov.pk
- Headquarter Information:**

Country	Pakistan
Street Address	Plot # ST 1 & 2 New Street Casting House (Ground Floor) Behind KDA Clinic Center Block -14 Gulshan-e-Iqbal
City	Karachi -75300
- Contact Information:**

Contact Name	Dr. Muhammad Fayyaz Akram
Contact Email	patent@ipo.gov.pk
Contact Phone Number	(02) 21 992 325 38

Below the contact information, there is a section titled "You've verified the company's legal name. Now what? The EDC Company InSight Checklist can guide you through more due diligence." This section includes three icons and corresponding text:

- Think about country risk:** Even though you're vetting a company, the country risk matters too. Could there be a risk of doing business there?
- Search the legal name against aliases:** It's important to search other possible names, or aliases, when you conduct a company check.
- When is enough enough?** It's important to gather enough information so that you feel confident about making a decision. The more research you do, the better.

EDC COUNTRY INFO

Grow beyond Canada's borders with the help of our international expertise

Bermuda

Wondering where your next market is? You've come to the right place.



[Country and Market Info](#) / [Bermuda](#)

Evaluating the market in Bermuda

We can help you get a better understanding of market activity, relationships and support to grow your business.

EDC Position



Open

What this means:

- Actively pursuing business
- All EDC solutions are available in this market, subject to regular approval criteria

How does EDC determine the position?

EDC takes the following into account when determining the position in a given market:

- Government of Canada restrictions
- Political, human rights and corruption risks
- Other factors that may be taken into consideration are: size of the economy, diversification of the economy, risk of natural disasters

EDC GUIDES & EBOOKS

CUSMA: NAVIGATING THE NEW NORTH AMERICAN TRADE DEAL

EDC Economics
July 1, 2020

SUMMARY

- The Canada-United States-Mexico Agreement (CUSMA) entered into force on July 1, 2020, half a year after the agreement was signed by all three parties.
- The renegotiated deal maintains significant duty-free access and provides much needed market access for American exporters and investors.
- Despite making numerous technical changes to the original North American Free Trade Agreement (NAFTA), the vast majority of trade with the U.S. and Mexico is expected to continue in a similar fashion.

BACKGROUND

In August 2017, all three countries began to renegotiate NAFTA, which has been in place since 1994. The objective of the U.S. was to "seek a much better agreement that reduces the U.S. trade deficit with Canada and Mexico by improving market access in Canada and Mexico for U.S. manufacturing, agriculture and services." For Canada and Mexico, the goal was to preserve much of the original agreement, while adding new chapters on digital trade and progressive chapters.

Some U.S. negotiating objectives included:

- Enhance Mexico's labour standards;
- Increase market access to Canada's supply management sectors (dairy, eggs and poultry);
- Harmonize regulations on sanitary and phytosanitary measures (SPS measures to protect humans, animals and plants from diseases);
- Improve customs and trade facilitation, while increasing the low-value (de minimis) duties apply for U.S. goods entering Canada and Mexico;
- Strengthen rules of origin for automobile production to source from member countries to a minimum labour value content;
- Modernize the agreement by including a digital trade chapter and prevent restrictions of cross-border data flows;
- Increase intellectual property protections for creative pieces and biologics;



EDC'S GUIDE

DOING BUSINESS IN MEXICO

August 2020

Canada

Doing Business in the European Union

opportunities lie in the EU and



Doing Business in the European Union

is your guide to exporting to the EU, from finding out where opportunities lie to developing strategies to use them.



QUESTIONS & ANSWERS



FOR MORE INFORMATION

Are you new to EDC?

Visit edc.ca or call us at 1-800-229-0575.

Are you an existing customer?

Contact your EDC Account Manager about any additional support you need.

TAKE ON

THE WORLD

