

# Ready Set Grow

Season Two Webinar Five

Session Summary

## Export Development Canada Helping You Grow Your Business

November 17, 2009

Presented by:



Technology Marketing  
Resource Centre



Canadian Innovation Centre

In collaboration with:

**CATA**Alliance

Sponsored by:



ready, set..

grow..

## **Introduction**

The Ready Set Grow series presents webinars featuring subject matter experts and Canadian tech execs discussing topics of interest to the executives of young Canadian technology companies.

On September 15, 2009, Ready Set Grow looked at the topic of developing a strategy for entering a new market through a session featuring a panel of experts and questions from the audience.

This document captures the content of this session.

## **Speakers**

### **Pascal Britt-Coté**

*Account Manager, Export Development Canada's Small Business Solution Team*

Pascal completed a bachelor degree in Commerce with a specialization in Management from University of Ottawa. He joined EDC in 1997 and since has help clients understand and mitigate risk as they grow internationally. As an account manager, he helps clients identify financial solutions to help increase their credit capacity. Pascal is also engaged in outreach activities in the Ottawa and Gatineau region.

### **Scott Murray,**

*President and CEO, Organizational Metrics*

Scott joined Organization Metrics (OMI) as President and CEO in November of 2005, bringing with him more than fifteen years of executive management experience in the HR and technology fields. Under his leadership, Organization Metrics has grown from a HR consultancy company with a handful of customers to one of the world's most respected providers of global talent management software.

Scott's depth of knowledge in the talent management market and extensive experience with global sales and business development has been instrumental in forging a strong vision and new direction for OMI. As President and CEO, Scott focuses on positioning the company in global markets, strengthening its partnerships and building its customer base.

ready, **set..**

**grow.**

Over the past eighteen years, Scott has held leadership positions with organizations providing HR solutions to Global 2000 corporations with a specific focus on international recruitment and performance management. His industry experience includes financial services, high technology and manufacturing.

**Hugo Beaudry,**  
*President and CEO, Initial Électroniques Inc.*

Founded in 2003, Initial Électroniques is a worldwide distributor of electronic components. Previously Hugo had spent 10 years in Europe in electronics. He also a member of ERAI, privately held global information services organization that monitors, investigates and reports issues that are affecting the global supply chain of electronics.

**Andrew Maxwell,**  
*Director, Business Partnerships, Canadian Innovation Centre*

Andrew Maxwell's experience includes the founding of two environmental technology companies, the creation of a wireless, medical device and Web Company and a technology incubator that helped create 30 technology businesses. He is currently with the Canadian Innovation Centre and pursuing a Ph.D. in the area of new venture creation at the University of Waterloo. He teaches at UTM and Waterloo in the area of technology entrepreneurship.

## **Export Development Canada Helping You Grow Your Business**

### **Challenges of Companies Exporting**

A common challenge for a company that is looking to export is identifying the first customer. Many times this can be helped not only by knowing where those customers are but also by putting together an attractive finance package together for those customers to make a first purchase. Many customers in the international market want to see that they are not the first buyers in their market place. To help with this transition, EDC has 14 offices around the world where they finance buyers all over the world if they buy Canadian goods. EDC will also help match a Canadian company with a potential buyer to which they are lending money. For companies that are only starting exporting and have a customer, EDC also offers a single buyer insurance which covers unlimited sales to one customer for six months on contracts worth up to USD \$250,000.

ready, **set..**

**grow.**

## **Export Development Canada (EDC)**

The key to exporting is finding a good opportunity, and the main challenge companies are facing is finding working capital. The company may have contracts or potential sales, but they will still need to find financing to move forward. EDC helps such companies by offering numerous programs such as account receivable insurance, which covers the company's receivables up to 90% of losses resulting from commercial or political risks. EDC also partners with financial institution providing a bank guarantee which offers the bank the security they are looking for before lending out capital. These programs among others help exporting companies raise the working capital they need to grow.

EDC is now also offering a program that guarantees SR&ED tax credit for Canadian companies that are exporting. Once a company files a SR&ED claim and is waiting to receive a cheque in eight or nine months, EDC will provide the a bank guarantee so the bank is able to advance the SR&ED claim. This way the company is able to receive the money sooner and can use it for day to day operations.

Beyond helping raise capital, EDC also offers informational resources. With 14 offices around the world which are continuously connecting with large organizations and then helps match these organizations with Canadian companies. For small Canadian companies looking to take advantage of this resource all the offices and contact information is published on the EDC website.

### ***Profile: Export Development Canada (EDC)***

Export Development Canada (EDC) is Canada's export credit agency, offering innovative financing, insurance and risk management solutions to help Canadian exporters and investors expand their international business.

Every year, EDC's knowledge and partnerships are used by more than 8,300 Canadian companies and their global customers in up to 200 markets worldwide. Approximately 80 per cent of EDC's customers are small and medium-sized businesses. In 2008 EDC supported more than \$85 billion in exports and investments.

For more information, visit <http://www.edc.ca/>

ready, **set..**

**grow.**

## **Case Study: Initial Électroniques Inc.**

Initial Électroniques Inc. started working with EDC from the start and within the first year, the company was exporting 90% of goods. Hugo spent 10 years in Europe in electronics and formed connections that lead to his first customers. EDC provided accounts receivable insurance and a bank guarantee for Initial Électroniques helping to mitigate some of the commercial risk. More importantly this provided the bank with some security and helped the company get finance, in turn allowing the company to grow. EDC was also able to provide a vast amount of resources and information on markets, helping Initial Électroniques enter the Eastern European market. As the company continued to get cash flow, the profits were re-invested back into the company resulting in its growth. As the company grew it was able to provide for a larger customer base.

### ***Profile: Initial Électroniques Inc.***

Founded in 2003, Initial Électroniques Inc. is a worldwide distributor of electronic components providing supply chain solutions to OEM's, CEM's and contract manufacturers. The company provided products such as semiconductors, active and passive components, CPU and memory. Today the company employs 90 people and is relocating to a new facility. The goal is to become the largest independent distributor in Canada.

## **Case Study: Organizational Metrics**

Organizational Metrics has worked with EDC for some time and has utilized EDC for pre-contract financing to help the company particularly with the larger deals. This gave Organizational Metrics a competitive advantage as a Canadian company because the banks were willing to work with them and the company was then able to aggressively go after the business. Once the partnership was in place, the company was able to move forward at a much faster pace, which resulted in a great stepping stone for the global growth of the company. For a Canadian company interested in exporting their products, it is encouraged to form this partnership with EDC early on and utilize the programs that are offered. This will put the company on the right track at a very early stage.

ready, **set..**

**grow.**

More recently, Organizational Metrics has taken advantage of the Canadian Direct Investment Abroad program where EDC provides a bank guarantee to financial institutions in Canada. The bank is then able to lend a company enough money to acquire a small firm allowing the company to grow. With this program the company was able to grow further through the acquisition of a small company in the UK.

### ***Profile: Organizational Metrics***

Organization Metrics has been around since 1984, and offers services based on two main principles: firstly, what services provide value to the clients while enhancing their total customer experience? And, secondly, what services would we want provided to us if we were the customer? This approach leads to provide world class services with the personal touch that comes with a long-term relationship.

Among the services offered by OMI are: Talent Diagnostic Services, TMS Implementation (Professional) Services, TMS Training, TMS Support Services, and TMS Deployment Services.

For more information, visit <http://www.orgmetrics.com/index.html>

ready, **set..**

**grow.**

## Results of Real-time Poll

Below are the results of the polls conducted during the webinar:

**Poll #1: What stage is your business at in exporting?** (Choose one answer)

- |  |     |
|--|-----|
| ○ Just beginning to consider exporting                     | 28% |
| ○ In the planning process but have not started exporting   | 14% |
| ○ Limited, but looking to expand                           | 25% |
| ○ A major part of our business but looking for new markets | 25% |
| ○ Other  | 8%  |

**Poll #2: What are the main challenges you face with exporting?** (Choose all that apply)

- |  |     |
|--|-----|
| ○ Lack of knowledge of foreign markets and regulations | 34% |
| ○ Finding first customers                              | 29% |
| ○ Identifying local representatives                    | 13% |
| ○ Providing customer finance                           | 13% |
| ○ Managing cash flow                                   | 11% |

Note that Poll #2 allowed multiple answers; therefore percentages will not add to 100%.

**Poll #3: Which of the following forms of assistance do you think would be relevant for you now or in the near future?** (Choose all that apply)

- |   |     |
|---|-----|
| ○ Account receivable insurance                | 32% |
| ○ Pre-contract financing                      | 32% |
| ○ Bonding or advisory services                | 18% |
| ○ Insights into specific market opportunities | 59% |
| ○ Identification of potential partners        | 59% |

Note that Poll #3 allowed multiple answers; therefore percentages will not add to 100%.

ready, set..

grow.

## Links of Interest

Export Development Canada <http://www.edc.ca>

Canadian Association of Importers and Exporters <http://www.importers.ca/>

Canadian Manufacturers & Exporters <http://www.cme-mec.ca>

International Chamber of Commerce <http://www.iccwbo.org/>

Service Canada [www.servicecanada.gc.ca/](http://www.servicecanada.gc.ca/)

Business Development  
Bank of Canada <http://www.bdc.ca>

Canadian Innovation Centre <http://innovationcentre.ca>

Technology marketing  
Resource Centre <http://www.tmrc.ca>

Canadian Advanced Technology Alliance <http://www.cata.ca>

## Articles and Books of Interest

Exporting for Dummies

Available via [http://www.edc.ca/english/publications\\_11934.htm?cid=red1608](http://www.edc.ca/english/publications_11934.htm?cid=red1608)

Exporting to the USA , Edward G. Hinkelman | World Trade Press | July 16, 1999

ready, **set..**

**grow.**

## Sponsors

We would like to thank our sponsors for enabling this series:



Export Development Canada  
[www.edc.ca](http://www.edc.ca)



Business Development Bank of Canada  
[www.bdc.ca](http://www.bdc.ca)

The Ready Set Grow webinars are presented by:



Technology Marketing  
Resource Centre

[www.tmrc.ca](http://www.tmrc.ca)



Canadian Innovation Centre

[www.canadianinnovation.ca](http://www.canadianinnovation.ca)

In collaboration with:

**CATA**Alliance

Canadian Advanced Technology Alliance  
[www.cata.ca](http://www.cata.ca)

ready, **set..**

**grow.**