



CANADEXPORT

TRADE + INVEST + PROSPER

WWW.CANADEXPORT.GC.CA

VOLUME 25 | NUMBER 19
November 22, 2007

▶ TOP STORIES

Pitching innovation to the U.S.

What does it take bring a product to market? Download the latest *CanadExport* podcast to hear from Canadian entrepreneurs and experts who travelled to Boston recently to sell, partner and finance their innovations.

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Take a trip to MaRS

Canadian companies looking to commercialize science and technology innovations would do well to go on a mission to MaRS. Not the red planet but a world-class organization in Toronto that is building Canada's next generation of technology companies.

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Ten traps for exporters

Indiana Jones was a film character famous for getting out of sticky situations. But trade experts say the best way to get out of traps is to avoid them from the start. The following ten traps and tips won't get you out of a snake pit, but they could help you survive the exporting jungle.

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▶ Smoothing the bumps in the road

Marathon Equipment Inc., a Canadian manufacturer of road and concrete maintenance equipment, has learned the hard way about doing business in Iran. Now those experiences are paving the way to success in other countries throughout the Middle East.

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▶ Open for bids: EDC's 2008 review

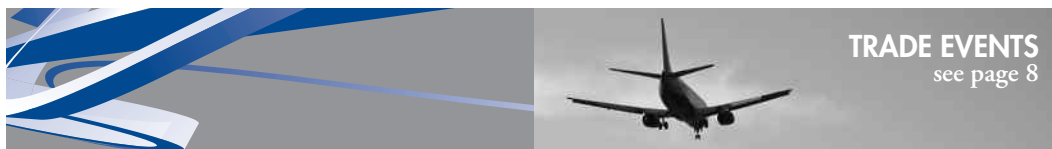
A request for proposals to conduct the 2008 review of Export Development Canada (EDC) has been posted at www.merx.com.

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▶ Manufacturing and production processes fair

Istanbul, February 14-17, 2008 > Canadian companies that specialize in manufacturing and production processes may want to attend KALITE, an international exhibition showcasing metrology and calibration equipment, lab testing materials and industrial software.

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Open for bids: EDC's 2008 review

A request for proposals to conduct the 2008 review of Export Development Canada (EDC) has been posted at www.merx.com.

As part of a periodic review of EDC, Foreign Affairs and International Trade Canada is inviting proposals from Canadian and international contractors to conduct an assessment of the provisions and operation of Canada's *Export Development Act*.

The winning contractor will produce a report for the Minister of International Trade that will assess how EDC is evolving and should continue to evolve, and how it is

addressing the competitive dynamics and demands of international trade.

The contractor will also make recommendations to the Minister where appropriate, including possible changes to the *Export Development Act*.

EDC is Canada's export credit agency, offering financing, insurance and risk management solutions to help Canadian exporters and investors expand their international business. EDC is a Crown corporation wholly owned by the Government of Canada. The corporation is financially self-sustaining and operates on commercial principles.

For more information, go to www.merx.com (reference number 140052). ◀

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Barbara Giacomini, Trade Commissioner
San Francisco, United States



GENERAL INFORMATION

CanadExport is published electronically twice a month by Foreign Affairs and International Trade Canada.

CanadExport paraît aussi en français.

ISSN 0823-3330

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Boston links the lab to the market

Behind every great product, there has to be a great plan.

CanadExport's latest podcast explores how to bring innovative products from the lab to the marketplace and the surprising role Boston plays in making it all happen.

For example, Egidio Nascimento, Chief Financial Officer of Ottawa-based Variation Biotechnology, explains how he helped his company secure a \$35.6 million venture capital with a Boston firm in less than six months.

While the region is the largest source of venture capital in the U.S. outside of California, it's also a centre for innovation. The region boasts many world-class research institutions and it's the second-largest bioscience market in the U.S.

Podcast host and editor Michael Mancini talks to a number of companies from Atlantic Canada that made a recent trip to Boston to meet potential partners and buyers, and—hopefully—make a few deals.

“The U.S. Northeast is one of the largest and richest markets in the world,” says Mike Rudderham of Advanced Glazings Ltd. based in Sydney, Nova Scotia.

“It's also ahead of the game when it comes to marketing and adapting innovative green technologies,” he says.

Rudderham, whose company develops, manufactures and markets transparent insulation technology, says that the biggest challenge in New England is getting face time with decision-makers.

This is where the Canadian Trade Commissioner Service lends a hand.

“We can provide visibility and contacts to Canadian companies,” says Michel Têtu, Deputy Consul General and Senior Trade Commissioner at the Canadian Consulate General in Boston.

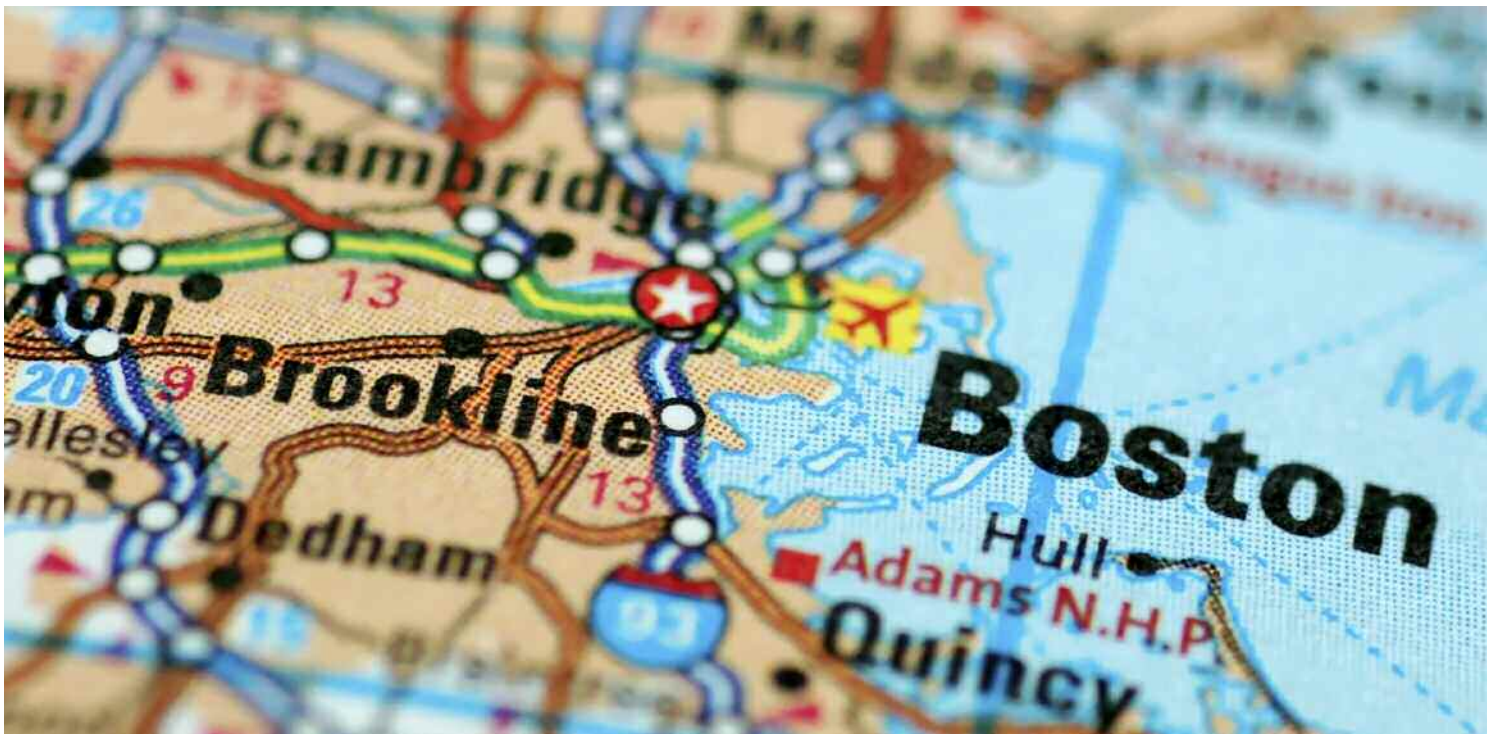
“We are there to make the link between Canadian suppliers of goods or services, with someone here in Boston who would be interested,” he says.

In this podcast entrepreneurs can also hear about the important role Canadian colleges and universities play in bringing products to market.

“What I really want to do is make sure that what's developed at our little university makes it to commercialization,” says Andrew Kendall, Industry Liaison Officer with the St. Francis Xavier University in Antigonish, Nova Scotia.

“It would be a shame to not have our innovative technologies developed for lack of contacts being made or money being found,” he says.

Download this podcast at www.canadexport.gc.ca/podcasts.



Top ten export errors

Exporters, like explorers, know that there are many paths through the jungle to success. But like the fictional Indiana Jones, there are also many traps along the way that can jeopardize any export venture.

Curtis Cook, a partner with Global Trade Solutions, says struggling exporters may want to determine if they are making any of the following mistakes.



Poor or no market research

Home builders would not build a house without a set of blueprints, building codes or an idea of costs. So why would an exporter attempt to enter a foreign market without any idea of the culture, business customs, consumer demand, laws and the competition in the market? Market research is critical to success, Cook warns. Do your homework.

Lack of commitment

Exporting can be a complex and resource intensive exercise and should not be approached half-heartedly. The potential rewards are great, but an exporter must be committed to the time and effort required to bring those rewards to fruition. Be committed.

The wrong people

Partners are critical to many aspects of exporting. Involvement with the wrong agents, distributors, bankers, brokers or other strategic partners can be an exporter's downfall. It is important to conduct due diligence and learn about prospective partners in advance. Find the right people.

Start small

First time exporters are well advised to test new markets on a small scale and one market at a time. Don't bite off more than you can chew.

Dedicate resources

Some businesses view exporting as a supplement to the domestic business rather than a strategic venture requiring dedicated resources and priority action. It is unlikely that these companies will reach their full export potential with this approach. Exporting should not be your back-up plan.

Poor relationship

Partners in foreign markets deserve the same respect and attention that domestic partners receive. If an exporter alienates a foreign agent or distributor, he or she is sabotaging the export venture. Build good business relationships.

Go with the flow

Failure to adapt products, services, and marketing and promotional materials to meet local regulations and preferences will translate into failure in the target market. Be flexible.

Lack of language skills

While English is often touted as the international language of business, many potential clients and customers in foreign markets do not speak the language. Success in these markets will be limited if the exporter does not make the effort to communicate in the languages of the people to whom he or she is exporting. This applies to sales and promotional materials as well. Time to call Berlitz?

Lack of expertise

Knowing what a company is doing before it starts puts an exporter on the path to success. It is also important to know one's limitations, and to seek out export expertise when needed.

Flying solo

There is a great deal of assistance available to exporters, covering every facet of the export process, from financing to technology exchanges to partners in foreign markets. Export success does not have to be achieved in isolation. Exporters must seek out win-win partnerships that help them reach their export goals.

This information is drawn from *A Step-by-Step Guide to Exporting*.

For more information on exporting, go to www.infoexport.gc.ca.

MaRS helps innovators reach for the stars

Barry Fogarty, co-founder of an Internet software company called Octopz, says his trip to MaRS helped secure the venture capital funding he needed to build his business. And better still, he didn't need to leave planet Earth to do it.

Founded in 2000 by business and community leaders, MaRS is a not-for-profit organization aimed at commercializing science and technology innovations developed in Canada. It connects and fosters collaboration between the science, business and capital communities by housing a mix of tenants in the MaRS Centre, and more broadly, through programs, structured networks and a web portal.

“Using a potent combination of facilities, programs, events and expertise, we focus on building Canada's next generation of technology companies and then cultivating their growth into global market leaders,” said the organization's CEO Ilse Treurnicht.

According to Fogarty, MaRS enabled him to ask—and answer—some important questions as his company developed.

“The people at MaRS really understood our space and helped us discipline ourselves: ‘What do we do with our technology? Who's our audience? What's our message?’” says Fogarty.

Another winning factor is the centre's massive floor space, which some say rivals technology clusters anywhere in the world. It has three linked buildings, including a renovated heritage wing of the former Toronto General Hospital and two modern glass towers.

MaRS offers its programs and services through three business units: a venture group, a collaboration centre and an incubator.

The MaRS Venture Group—a team of experienced investors, entrepreneurs and technology advisors—works closely with companies at various stages of corporate growth and development.

The Collaboration Centre is a space that includes a high-tech auditorium surrounded by meeting rooms with state-of-the-art audio visual technologies and on-site technicians. The centre is there to enhance knowledge-sharing and communication—either face-to-face or remotely from across the globe.

The MaRS Incubator is designed to deal with one of the bottlenecks of commercialization by providing early-stage



companies with affordable plug-and-play office and laboratory facilities that cover basic lab research space requirements. The Incubator is currently home to 22 companies, including those in information technology, life sciences, biotechnology and medical devices.

Altogether, MaRS is home to more than 65 organizations connected to the innovation and commercialization marketplace in Canada and abroad and involves a mix of emerging companies as well as established professional service firms, investors, technology transfer offices, and research and networking organizations.

“This was absolutely vital to us, especially in a landscape that's expanding so rapidly,” says Fogarty. “A lot of start-ups miss that and risk being eclipsed.”

Whether it's access to tools and resources for entrepreneurship, attending a comprehensive lecture series or using a research exploration service, MaRS has something to offer innovators of all sizes and at all stages of business.

A phase two expansion that is currently underway could more than double its size, with additional office and conference space.

For Canadian companies like Fogarty's that are looking to innovate and commercialize, a trip to MaRS could put them on the right track.

For more information, go to www.marsdd.com.

Toronto, April 10-11, 2008 > MaRS hosts the Toronto Discovery District Symposium. ◀

Smoothing the bumps in the road

Marathon Equipment Inc., a Canadian manufacturer of road and concrete maintenance equipment, has learned the hard way about doing business in Iran. Now those experiences are paving the way to success in other countries throughout the Middle East.

The Burlington, Ontario-based firm, which sells such items as asphalt and concrete crack routers, rubberized crack sealing kettles, hot asphalt haulers and infrared patching and seal coating equipment, saw that there was high demand in Iran for this equipment and set off in pursuit of opportunities there.

“Asphalt crack sealing is one of the most popular methods to increase the service life of pavement from five to eight years as well as enhance road safety,” says Farzad Tooryani, Regional Sales Manager with Marathon.

But Tooryani says Marathon’s most recent sale—made to the City of Shiraz in Iran—was not easy to make, especially without help from the Canadian Trade Commissioner Service.

“Canadian trade commissioners in Iran introduced us to the right people in the municipality. Through our trade commissioners, we familiarized ourselves with the needs of local contractors who provide various municipalities with an array of civil services, such as pavement maintenance,” says Tooryani.

Tooryani says that trade commissioners were also able to schedule factory and business visits with decision makers in many cities. But even with help from trade commissioners, Tooryani says the market is challenging on many fronts.

“The biggest barrier we faced was the lack of commercial departments in 90% of the contracting organizations to provide foreign currency payment services. So we tried to create a payment schedule and system based on the local currency and on the accounting provisions of each organization. This can be difficult and needs a lot of patience, but the good news is that most of the market share can be yours,” he says.

Tooryani offers some advice when it comes to cracking this market.

“Have a sample unit of your product in the local market to show interested parties what the advantages are of the technology,” he says.

“Second, refine your marketing strategies. In Iran, clients like to see pictures of products in catalogues or videos that demonstrate the product working in local conditions. In most cases, catalogues and videos sparked interest for us and that led to sales.



Burlington, Ontario-based Marathon Equipment puts its asphalt crack sealing machine to work in Shiraz, Iran.

Lastly, find a reliable agent. Having someone trustworthy on the ground who can increase market share for the company is key,” says Tooryani.

But there was one thing Tooryani wished he knew before he started.

“I would register with the commercial free zones of your target country. This can go a long way to help you gain the trust of the customers wherever you are looking to do business,” he adds.

A commercial free zone is a designated area where goods are not subject to the usual customs controls.

As for the future, Tooryani is optimistic about his company’s prospects, both in Iran and the Middle East.

“Governmental organizations in the region are trusting this technology and allocating budgets for it,” he says.

So far, the company has been able to sell more than 50 units in the past four years in the United Arab Emirates, Iran, Oman, Saudi Arabia and Turkey.

“We have demonstrated that this technology is satisfying both the client and contractor side as it is profitable for both parties. Contractors are earning their investment back in less than six months and clients are saving their budget for new construction,” says Tooryani.

For Marathon Equipment, one less bump in the road means a smoother ride into a new market.

For more information, contact **Farzad Tooryani**, website: www.marathonequipmentinc.com. ◀

Powering the Middle East

Dubai, February 10-13, 2008 > Join the Canadian Pavilion at Middle East Electricity 2008, the region's largest exhibition of energy-related products and services. The event will focus on lighting, electrical equipment, electronic components, new and renewable energy, gas and wastewater.

Middle Eastern governments are committed to increasing investment in electricity and energy sectors and fresh water projects over the next eight years.

Organizers say this trade fair, supported by the United Arab Emirates' Ministry of Energy and Federal Electricity and Water Authority, will be a great platform for industry professionals to promote their products and services in the Middle East and beyond.

The last exhibition attracted over 850 exhibitors from 55 countries and over 34,000 visitors.

For more information, contact **Venky Rao**, Organizer's Representative, tel.: (905) 896-7815, website: www.middleeastelectricity.com. ◀



Manufacturing and production processes fair

Istanbul, February 14-17, 2008 > Canadian companies that specialize in manufacturing and production processes may want to attend KALITE, an international exhibition showcasing metrology and calibration equipment, lab testing materials and industrial software.

Trade officials at the Canadian Embassy in Turkey will host an information booth at this fair and are encouraging companies to attend. Entrepreneurs who are not able to be there to exhibit their products or services can send promotional materials to the embassy for distribution at the fair.



In addition, the fair will focus on software packages developed and used for computer-aided design, manufacturing and engineering, as well as the management and monitoring of product data and life cycles.

KALITE is the only event of its kind in Turkey, the Balkan countries and the Middle East. Last year's fair attracted more than 5,000 visitors and more than 150 exhibitors.

For more information, contact the **Commercial Section of the Canadian Embassy in Turkey**, tel: (011-90-312) 409-2753, fax: (011-90-312) 409-2715, or **Daghan Mumcuoglu**, tel.: (011-90-212) 392-1390, fax: (011-90-212)

220-5601, website: www.kalitefuari.com or

www.kalitefuarcilik.com. ◀



AEROSPACE & DEFENCE

Santiago, March 31 - April 6, 2008 > FIDAE 2008 is one of the leading aerospace and defence trade fairs in Latin America. It attracts the most important manufacturers and dealers in the aerospace field, offering a comprehensive showcase of the commercial and defence sectors worldwide.

Contact: **Gonzalo Munoz**, Canadian Embassy in Chile, tel.: (01156-2) 530-5750, fax.: (011-56-2) 557-1256, website: www.fidae.cl.

Sydney, January 29 - February 1, 2008 > Pacific 2008 is an international maritime and naval exhibition and will bring together key industry, defence and government personnel from Australia and around the world. European and North American companies see this fair as an important opportunity to connect with key decision makers in the Asia-Pacific region.

Contact: Greg Luz, Canadian High Commission in Australia, tel.: (011-61-2) 6270-4000, fax: (011-61-2) 6270-4069, website: [Pacific 2008](http://Pacific2008.com).

BUILDING PRODUCTS

London, February 26-28, 2008 > Ecobuild is the biggest showcase of sustainable construction products in the United Kingdom, with more than 500 exhibitors and thousands of products and services.

Contact: **Jason Kee**, Canadian High Commission in the United Kingdom, tel.: (011-44-20) 7258-6600, fax: (011-44-20) 7258-6384, website: www.ecobuild.co.uk.

ICT

San Francisco, January 14-18, 2008 > MacWorld is the most comprehensive event for the Mac operating system. Combining educational sessions with displays of innovative products and solutions on the exhibit floor, this trade fair offers consumers and professionals alike the opportunity to discover the latest developments and hottest products in the industry.

Contact: **Lisa Stockley**, Canadian Consulate General in San Francisco, tel.: (415) 834-3180, fax: (415) 834-3189, website: www.macworldexpo.com.

Jeddah, Saudi Arabia, March 31 - April 3, 2008 > Middle East Education and Training Exhibition and Symposium provides a one-stop showcase for those looking for further education and training both at home and abroad. The exhibition will feature a variety of domestic exhibitors but also Saudi Arabia's many international providers of education and training.

Contact: **Maya El-Khoury**, Canadian Embassy in Saudi Arabia, tel.: (011-966-2) 654-6384, fax: (011-966-2) 654-6853, or email ace@acexpos.com, website: www.acexpos.com.

Barcelona, February 11-14, 2008 > The Mobile World Congress combines one of the most comprehensive mobile technology exhibitions in the world with a congress featuring CEOs from mobile operators, vendors and content owners from around the world.

Contact: **Frederic Fournier**, Canadian Embassy in Spain, tel.: (011-34) 91-423-32-50, fax: (011-34) 91-423-32-52, website: www.mobileworldcongress.com. ◀

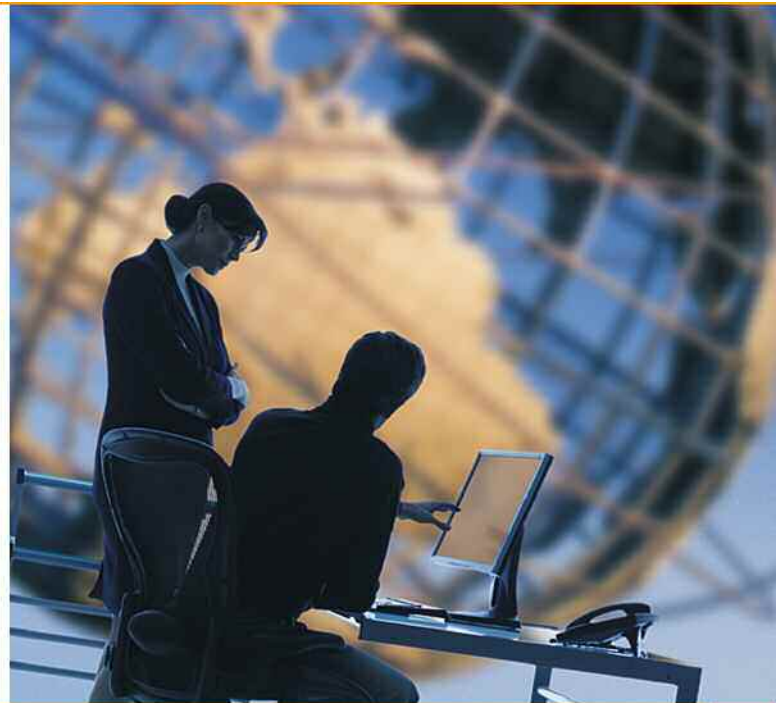


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