How to export from Canada

It's an exciting day when you decide to export because it means your business is growing. While exporting can be financially beneficial, it can also be complicated, which is why it's important to research your target market and thoroughly investigate all aspects of the exporting process to know what's involved.

Like a bicycle, exporting has plenty of moving parts that must all perform together.

Bicycles for the world

A hit with extreme mountain-biking enthusiasts in Canada who appreciate quality rides, Mike's Bikes Ltd. is gearing up for exporting success. Ride along to learn about their exporting strategy.







Why export?

In addition to increasing your sales volume, exporting can bring scale to your business, reduce production costs, prolong a product life cycle, increase competitiveness and boost profitability. Exporting will also lessen your dependence on the Canadian economy.



Portion of total small business exports that are retail goods.

[Source: Industry Canada 2011]

Value of Canadian merchandise exported annually to the United States—which represents 75% of all exports from Canada. [Source: Industry Canada 2013]



\$150 billion

Value of annual exports by Canadian small and medium-sized businesses.

[Source: Industry Canada 2011]

Amount of Canada's

exports attributed to small businesses. [Source: Industry Canada 2011]

5 steps to exporting bicycles

Let's use the example of Mike's Bikes to follow the trail to successful exporting.

Step 1: Know who rides mountain bikes

Start by researching countries where demand for mountain bikes is promising.

- Look for markets where there are few competitors but buyers already understand and use what you sell. Research international markets using information supplied on the
- Canada Business Network. Visit the Export Development Canada (EDC) website for research
- Research three countries and narrow it down to one.
- Your final choice may be a country where demand is high, competition is low, and exporting costs are reasonable.

Selling directly to customers in a

Tip #1

foreign market will require some additional time to understand any cultural differences. You don't want to offend your new hosts.



Step 2: Plan your trek

tain. Invest the time required to prepare plan your own exporting journey. Update your master business plan using the Scotiabank Plan Writer

Mountain bikers know which trails will take them across the moun-

- for business. Make an export plan for your business. Seek the advice of exporting experts.
- Set a timeline to begin exporting.
- Identify the tools and resources you'll need to make the trip.

An exporting strategy will cost money—so make sure you've got enough to complete your ride.

like local marketing and distribution costs.

Step 3: Grease your wheels

Speak with an export consultant to understand the costs involved,

- Talk with your accountant about ways to finance your export See what Scotiabank can do to <u>support your exporting</u> plans.
- Research <u>financial services</u> offered by Export Development Canada. Check out trade incentives like the <u>Duty Deferral Program</u>.

A number of similar products in your target market will indicate an

Tip #2

established customer base, but it will also mean you'll have to fight to stand out from the crowd with a clever marketing strategy.

It's safer to ride with someone who knows the mountain trail. Use local market partners to speed up distribution of your product to

market vendors that resell your goods.

Step 4: Never ride alone

customers, shorten your local market learning curve and assist with any compliance issues. Pick non-competing partners with experience in a similar industry. Partners might be commissioned salespeople, licensees, or local

- Carefully check their business references and local reputation. Go to meet a potential partner before you deal with them.

exporting process and what's legally expected of your business will make the process easier.

Even cyclists must obey traffic laws. Understanding the

Step 5: Obey the rules of the road

- Get a Business Number (BN) issued by the Canada Revenue Agency (CRA) for an import/export account. Determine if your goods are regulated, controlled or prohibited by government departments or if a permit or
- licence is required. • Hire a customs broker licensed by the Canada Border
- Services Agency. Or, prepare export documents yourself. Make sure your export goods are allowed entry into the receiving country. Pick a shipping method, and know your reporting
- responsibilities before and after goods are sent. Speak with legal experts in your export country to avoid

running afoul of any local regulations.





to the United States. Its close proximity to

Consider exporting

Tip #3:

Canada will reduce shipping costs and you won't encounter any cultural or language barriers.

Congratulations! You're on your way to successful exporting.

Find lots of research information at Export Development Canada (EDC).

- You might also spin over to these helpful resources.
 - See how exporting will impact your cash flow with the Scotia Cash Flow for business tool. Contact a <u>Scotiabank Small Business Advisor</u> about products & services to support your exporting plan.



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