

BORDER CROSSING

Export experts talk about lessons learned from going global

BY
BRIAN CALLAHAN



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IF ANYONE KNOWS a little something about the trials and tribulations of 'going global,' it's Bernie Halloran. Bernie is in the trade of fur.

And seals.

"I'm telling you, it's the most bullied industry on this planet," says Halloran, proprietor of Always in Vogue in downtown St. John's.

"And ya know what? It's really no different than any other animal we eat."

In theory, yes. But it is different. Very different. From the harvesting, to the processing, to the export, to the various uses, not to mention that taste. Then there's the politics, the activists, and

Halloran's market of choice: China.

It's a business challenge unlike any other, in a restrictive Communist country that's overflowing with entrepreneurial gusto, money, people, and laws. Not all countries are like that, of course. But some advice is universal.



"It doesn't have to be made somewhere else to be considered exceptional. We can create exceptional right here in New Brunswick."



SCOTT MACLEOD,
PUMP HOUSE BREWERY
DIRECTOR, SALES & MARKETING



Opportunities | OpportunitésNB

“THE ONE THING I would advise anyone going into another country to do business: find a good partner on the ground in that country,” says Halloran, who has operated a factory in China for four years and a retail store for two. The latter fell victim to slow sales last fall, but he says that had more to do with location than his product.

“We picked the wrong mall, the wrong city. Simple as that,” he readily admits. His Chinese partner in that venture walked away from it, leaving Halloran with the inventory and assets.

Undeterred, he soon found another partner who’s backing the reopening in another city by October. “I have a partner for everything. I wouldn’t recommend having one without money in the game.”

It’s also important not to get ahead of, or all over yourself, about that shiny new product that’s going to make you millions, nay billions, says one regional business advisor. Too many small and mid-sized enterprises (SMEs) are making the export leap long before they’re ready, without doing their homework, says Johannes Larsen with New Brunswick-based JSL Advisory Services. (He also happens to be a former (2011) *Atlantic Business Magazine* Top 50 CEO).

Born in Denmark, his career in the business of sales and innovation has taken him around the globe and back. He has, as he says, “been there, done that.”

Larsen has a short checklist of must-dos before anyone, let alone new startups, makes the leap abroad, and it starts with sales on home turf first. The rest all begin with the letter P. “It’s the purpose, the process and the payoff,” Larsen, on the phone from Miramichi, states with strong Scandinavian conviction.

“What is your purpose for going international? Quite often it’s viewed as the fun, sexy thing to do. ‘Oh, let’s get on a plane for business and go to meetings ... we have arrived!’ But it’s far from that.”

On the contrary, it should be a seriously planned, nose-to-the-grindstone effort,



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Bernie Halloran | Always in Vogue

says Larsen, adding that the pleasure trips can replace the business ones after the deal is won and done.

Much like the purpose, the process is self-explanatory but can vary greatly depending on where you want to take your startup. All countries have their own unique cultural identities, traditions, culinary dos/don’ts, and a myriad of other etiquette essentials that can go a long way toward making or breaking a deal. Larsen terms it the “Kiss, Bow or Shake Hands” theory. Not knowing which one to do when, or where (see sidebar), can be at best merely embarrassing and at worst, a deal killer.

Speaking of things that could potentially sink a venture, Larsen says too many companies begin their business plans with the payoff. “They’re all excited. They already see themselves as the next Bill Gates, and they haven’t even started to think about why they are doing this.”

Enthusiasm for what you’re selling is a good thing, he adds, but that may not be what the potential investor/customer wants to hear down at the other end of a boardroom table. “Don’t forget: the guy that’s gonna sign the cheque is probably my age, 50s-60s, and he doesn’t care about your bits and bytes. What he’s concerned about is his return on his investment,” says Larsen.

“When I sold chemicals to the Japanese, they didn’t expect me to know anything about chemicals. They expected my chemist to know about chemicals and they expected me to know about business and how to put the deal together.”

It’s only natural to be excited about your product but there’s always the danger of going overboard overselling it, he explains. In business, like theatre, less is often more.

EXPORT ETIQUETTE

How to put your best foot forward when you’re on the road

CHINA

- Always allow Chinese affiliates to leave the meeting first
- Present and receive gifts with both hands
- Never leave chopsticks upright in rice; never finish the entire meal
- Shaking hands is normal; kissing or hugging, not so much

FRANCE

- If you don’t speak French, the polite thing to do is apologize for your lack of fluency
- It’s common to leave the office for lunches that last two hours or more

JAPAN

- Avoid using the word ‘no’. Japanese will usually respond “yes” to show they understand even when they disagree with what you’re saying
- The most senior person leads discussions; others may say little if anything out of respect
- Always wrap gifts; the thoughtfulness with which it is presented will be appreciated as much (or more) than the value of the gift itself
- Never pour a drink for yourself; always allow someone else to do it for you

UNITED KINGDOM

- Men should not wear dress shirts with pockets; if so, ensure the pocket is empty
- The British seldom retain eye contact during conversations
- Avoid toasting others older than you when dining out

Source: <https://www.zendesk.com/resources/manners-around-the-world/>



Road stories

What’s the most inspiring moment you’ve had on the road? Any advice to share with aspiring globalpreneurs to help them build their business outside of Canada? Tweet your answers to @AtlanticBus #RoadStories

Once you're in, make sure you develop a relationship with your local hires, he adds. They can provide valuable insight into the local market and government processes.

Halloran concurs: "Not just the managers. They change, like your bank manager, every few years and go to another posting. I mean the local workers who are from there, living there, staying there. They'll take you under their wing and take care of you."

Your embassy can be a vital asset, as well, when you're investigating and visiting a country where you want to do business. They can offer insights on the stability of a foreign government, its currency and exchange rates, as well as reliable research on market trends. They may even be able to provide you with space to host a meeting while you're in town. Finally, do make a point of reaching out to the ambassador or trade commissioner and telling them about your trade goals: they often host social events and arrange valuable introductions, opening doors that could be otherwise closed to you.

Both Larsen and Halloran agree that trade missions are useful tools because visiting a foreign country with

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Johannes Larsen | JSL Advisory Services



a government delegation, as opposed to flying solo, can only boost your profile and improve your chances of striking a deal. While the amount of subsidized fees and expenses vary from mission to mission, attendees are usually responsible for (at a minimum) the cost of their flights and accommodations. Funding for trade missions is available for SMEs through Ottawa's CanExport program and other export financing options through the Canada Business Network. Additional funding and assistance is available through the Business Women in International Trade section of the Canadian Trade Commissioner Service.

If you do embark on a trade mission, plan it out well in advance. Book meetings with potential clients around the dates you'll be there, says Halloran. If possible, arrive a day or two early and stay longer if

necessary to make the most of a trip that, in Bernie's case, can set you back \$10K.

Nonetheless, he continues his quest to market one of the most polarizing products in history to one of the complex yet lucrative markets on the planet. Why? Because—and this may be the single most important prerequisite for any business venture—he believes in it. "I want to be part of the team that finally turns this thing around," he says of his dream to eventually win the hearts and minds of those caught up in the anti-seal campaigns. "So as for advice, I guess you gotta be stupid and stubborn too. And you can quote me on that."

FEEDBACK

✉ dchafe@atlanticbusinessmagazine.com
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