



## **English-speaking SMEs: Accessing New Markets**

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A study identifying gaps in development and supports needed to expand English-speaking Entrepreneurship through International Trade.

**Prepared by**

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## 1. BACKGROUND

Since 1995, YES (Youth Employment Services) has helped entrepreneurs in the English-speaking community launch or grow their businesses in Québec. English-speaking entrepreneurs represent an important opportunity in terms of economic development in Québec and Canada, however, they continue to face barriers to accessing new markets that would otherwise strengthen their long-term sustainability, growth, and competitiveness.

YES has identified a lack of research into the expansion of entrepreneurship in Québec via international trade specifically through an official-language minority community (OLMC) lens. While Québec SMEs face unique barriers to internationalization (CED, 2012), the realities faced by SMEs in the English-speaking community of Québec have yet to be studied.

In this context, YES has been seeking to better understand this important segment of the Québec economy through consultation and the identification of tools, services, and resources to enhance English-speaking SME's abilities to engage in import and export activities. To this end, YES conducted a literature review, distributed two online surveys to start up enterprises and SMEs, conducted a number of one-on-one telephone interviews with owners of start-ups, SMEs, and key industry stakeholders, and held two discussion groups via conference call to gain insight into best practices in relation to supporting SMEs to develop international trade capabilities.

The interview guide and survey questions can be found as Appendices 8.7 and 8.8 respectively.

## 2. SUMMARY

The current study “English-speaking SMEs: Accessing New Markets” was developed with the vision of better understanding English-speaking SMEs as they develop and expand their businesses internationally. The study involved the conducting of a literature review, collection of best practices and tools, as well as two online surveys with 152 English-speaking entrepreneurs in Québec. The second phase of the study included 14 individual interviews and two focus groups with aspiring and established entrepreneurs.

The results of these inquiries must be viewed in light of the predominant type of respondent: small business owners, many of them in the start-up phase, with sales of less than \$250,000 and fewer than 5 employees (94% of respondents). Slightly over half the respondents were women, even still a proportion much higher than their presence as business owners in the general economy<sup>1</sup>, and a significant number were immigrants<sup>2</sup>. Therefore, the survey and interview results reflect more of the perspective of small businesses which typically build ‘step-by-step’ rather than invest larger amounts for scale-up within a short timeframe.

### Key Findings

Generally, respondents saw significant potential benefits in international trade and regarded being bilingual, in particular being English-speaking in Québec as an asset rather than as a barrier to international trade. This being said, it was acknowledged that working with information and services in a second language (French) that were already complex and difficult to access, presented an additional barrier to English-speaking entrepreneurs. The potential benefits of going international included supporting growth in revenue, size, and market share, as well as employment generation and improving overall competitiveness. Both respondents and key stakeholders noted that there are various barriers or constraints with respect to going international such as establishing contact with potential foreign customers, accessing financing, resources limitations and external barriers such as government rules, regulations and procedures related to exporting, importing and procurement.

### *E-commerce*

The majority of respondents recognized the importance of e-commerce in expanding their international business, through promotion, direct sales, and as an adjunct to their other business activities. Some of the respondents (+/-50%) were already engaged in e-commerce to sell their products both domestically and internationally, while those in a limited start-up stage were using their websites primarily for promotion and contact instead of direct sales.

Assisting SMEs in developing and implementing an e-commerce strategy is of critical importance as it has direct impact on their ability to expand sales within new markets.

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<sup>1</sup> 19% in 2010, <https://www.thebalance.com/statistics-on-canadian-women-in-business-2948029>

<sup>2</sup> 24%, 2016 Census, <http://tinyurl.com/yco553eo>

### *Support*

All respondents acknowledged that there was a perceived notion of sufficient information available regarding international trade but also stated that much of this was 'inaccessible': too much content to find the most pertinent information, too much complexity without sufficient explanation, as well as some information being too vague to be of much value. Time shortage and lack of management was the underlying theme. Respondents reported difficulty in starting or running their business, saying that they didn't have the time and expertise to sift through large amounts of documentation, and that they needed assistance in this regard. They were prepared to put effort into these types of activities but needed a starting point so that they would not waste a lot of valuable time heading in the wrong direction. There was consensus among respondents over the need for support at the inaugural stage of the business to ensure that their resources are allocated efficiently. Such support was stated as being necessary to increasing their chance at success and expediting the process of expanding their business internationally.

Preferred forms of English language support to be expanded;

Step-by-step guides – an action plan or road map that would lead them through a process towards international trade functions. Specific examples given were the Canada Post guide for international shipping.

A 'gateway' person – an available coach to help navigate the jungle of information, options, and forms, either face-to-face or through a hotline. It was noted a number of times that having someone familiar with their type of business activity would be useful in referring them to suitable programs and opportunities.

A 'contact' person – an available person, preferably face-to-face, with the relevant experience who can help to forge contacts and entry points to various markets. Ideally, someone with specific knowledge regarding a sector or type of business being even more useful. This person would have information regarding trade shows, agencies, intermediaries, etc. to help the entrepreneurs identify the most appropriate markets and sales opportunities.

Sector specific – flowing from the two above items, respondents said they needed support (i.e. coaching or mentoring) more specific to their sector or type of business. They acknowledged that business and start-up assistance was essential but noted that in order to take their business to the next level, they needed support and coaching from experts with more knowledge and experience in trade or their line of business. This speaks to the important role that mentors can play if their area of experience can be matched with the type of business the entrepreneur is developing.

### *Accessibility of Programs*

It was mentioned several times that assistance programs targeting young entrepreneurs in SMEs were too restrictive and that the age limit (often 35 years old and younger) was a barrier for those who were only a year or two over the age limit. They noted that the programs were often well suited to their needs, perhaps even more so than the younger entrepreneurs themselves, but that they were ineligible.

There is an array of services available to entrepreneurs interested in international trade, some of which are only offered in French. While the majority of the respondents have some level of proficiency in

French, they are not fluent and therefore their preference is to use English language services due to the complexity of the topics or issues being addressed. In addition, there are unilingual entrepreneurs (12.5% of survey respondents) as well as those from other countries (25% of survey respondents) whose French language skills are not always sufficient.

Overall, there is a strong sense of interest on the part of Québec-based entrepreneurs in English-speaking SMEs in growing and thriving internationally. However, many of these entrepreneurs lack access to the human (experts) and social capital (networks) resources, which results in them being cautious about pursuing new international markets. While the US is an immediate attraction for those interested in international trade (size of market, English-speaking), those who are immigrant entrepreneurs are also confident in pursuing trade with their home countries, or those which also speak their mother tongue (i.e. Spanish in South America). It is unclear, however, how confident any of them are in pursuing trade with countries other than their home countries or ones in which they can communicate in their mother tongue or a third language.

### **3. LITERATURE REVIEW**

The review looked at sources of information regarding the development of international trade for SMEs in Québec, with particular attention paid to tools, resources, and best practices that might support SMEs to launch or grow their businesses through import and export services.

#### **3.1 OVERVIEW**

The literature review indicates that international trade is becoming increasingly open to SMEs, an area of economic activity previously dominated by larger enterprises. E-commerce, trade agreements and multiple shipping options have changed the trading landscape. Despite these opportunities, there are numerous challenges for SMEs to overcome in seizing the potential presented by international trade. Notable amongst these challenges are the lack of understanding of the place of SMEs in international trade, the complexity of dealing with overseas markets (regulations, culture) and the lack of appropriate managerial skills within the SMEs themselves (WTO, 2016).

The review also confirmed a number of reported issues in Québec related to entrepreneurship and international trade, namely that there are generally lower rates of those activities compared to other provinces in Canada. It also reveals that the tendency to export by Québec SMEs is in decline, even if slightly. This indicates that there is room for expanding both entrepreneurial initiatives and international trade (Desjardins, 2014).

#### **3.2 ENGLISH COMMUNITY**

The English-speaking community of Québec has a higher rate of self-employment than the rest of the population in the province (LEAP at 3ci, 2010). While this doesn't necessarily equate into SMEs, it is an indication that the English-speaking population is more engaged in entrepreneurial activity. The literature also mentions that one of the possible reasons for lower rates of international trade amongst Quebecers is the language barrier (Desjardins, 2014), French being the predominant language in the province and English being the predominant business language internationally. There were no specific studies cited in this regard, but one could state that language is not a barrier but an asset when it comes to the English-speaking community becoming more involved in international trade. Given that most 'English-speaking' businesses in Québec also operate in French, their bilingual capacity becomes an additional asset to pursue international trade in both official languages (CEDEC, 2014).

#### **3.3 OTHER OPPORTUNITIES**

The literature points to various other opportunities that could be given consideration for further research/investigation:



- Creative economy<sup>3</sup> - Québec possesses some unique features in many facets of its socio-economic fabric, how could these be developed and expanded in relation to the creative economy? (Industry Canada, 2012)
- Social economy<sup>4</sup> - Québec is a world leader in the social economy yet the English-speaking community is less engaged in this aspect of the economy (Qu'anglo, 2008), how could this be enhanced and leveraged for international trade?
- New immigrants - segments of the immigrant population in Québec gravitate towards and integrate with the English-speaking community to some extent; given their recognized involvement in entrepreneurial activities, and their links to overseas markets, how could their initiatives be harnessed with regard to international trade? (YES, 2017)
- Digital economy - the ability to receive orders via the Internet and ship worldwide opens up new markets for even the smallest business. It is a seemingly simple concept, yet it requires complex systems in terms of technology, exchange rates, shipping and returns, to name but a few elements (FITT, 2017). As an example, a new service from Google is Marketfinder<sup>5</sup> that recommends the best markets for a business and helps create a global business plan using detailed market insights.

The studies and articles reviewed clearly indicate how diverse Canada is and how the same formula won't necessarily work across the board in terms of developing SMEs. Immigrants have different advantages (overseas contacts and knowledge of a foreign language and culture) and disadvantages (lack of finance and inclusion) compared to First Nations groups (problems growing businesses on reserves, negative stereotypes), and then compared again to the English-speaking community in Québec (Montreal vs. regions, language of service, etc.)

### 3.4 POSSIBLE PROGRAMS

When looking at what might be done about increasing the level of international trade amongst Québec SMEs, the literature review confirms that the habitual barriers to such activities exist in abundance: lack of appropriate financing and managerial expertise, regulatory hurdles, risk management and overseas contacts, etc. This is balanced out by a plethora of available information (i.e. websites, guides) regarding 'how to' advice for embarking on the international trade journey which, it could be assumed from the lack of uptake, are not being used to an appropriate extent (Desjardins, 2014). This is likely due to the complexity of the content and lack of expertise (internal and external to the company) to take advantage of the information, and that they may not know the full extent of what is available (due to the fact that information is dispersed in different locations). Interview respondents also expressed a preference to dealing with a person when seeking out information of this kind (Google can find out a lot of things but still lacks the ability to interpret meaning).

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<sup>3</sup> Economic systems where value is based on imaginative qualities rather than the traditional resources of land, labour, and capital – John Howkins

<https://cvsuite.org/learn-2/creative-economy/>

<sup>4</sup> The Social Economy is made up of association-based economic activities founded on values of service to members or the community rather than only generating profits and seeking financial returns; autonomous management and democratic decision-making; primacy of persons and work over capital; and based on principles of participation, empowerment, and individual and collective responsibility.

<https://www.ccednet-rcdec.ca/en/page/social-economy-0>

<sup>5</sup> <https://marketfinder.thinkwithgoogle.com/intl/en/>

In general, the literature reveals that there are three stages along the journey to international trade, each one requiring a different set of support/service/expertise:

- Awareness - should the enterprise embark on the international trade journey (importing or exporting), and what are the things that should be considered;
  - information, coaching, strategic planning.
- Planning - once the decision is taken to carry out some form of international trade, what needs to be developed to ensure success;
  - technical support, specific expertise, consultants.
- Execution - the actual provision of products or services for export or receiving them as imports.
  - partners, financing, distribution, etc.

In addressing these different development stages, some organizations offer a variety of support services. One example is **Commerce International Côte-Nord**, a non-profit with funding from both federal and provincial agencies that assist companies to identify appropriate information, both from the private and public sectors. Some of the services that they offer are:

- Establishing contact with potential foreign customers
- Securing reliable foreign representation
- Accessing financing for the purpose of internationalization
- Allocating managerial time to advance internationalization
- Recruiting specialized staff to assist with the management of international markets
- Meeting the costs of accessing markets
- Challenges accessing or locating government support

Another program to consider are those offered by **FITT**, a not-for-profit organization dedicated to providing international business training, resources and professional certification to individuals and businesses (some in partnership with Export Development Canada). Amongst the services they provide are:

- Online courses to help grow export-import business
- Instructor-led courses in collaboration with various educational institutions
- Customized international business training to meet the specific needs of a company or organization
- Workshops that allow companies to decide whether or not international business is for them

A third possible program is the newly instituted **Québec Export Strategy 2016-2020**, which aims to reinforce synergies and act as a complement to other existing categories of products or services. The strategy aims to help:

- Develop a business strategy for outside of Québec
- Develop marketing skills in foreign markets
- Acquire strategic information
- Obtain the necessary foreign certifications
- Use e-commerce as a strategy for penetrating external markets
- Facilitate access to government export support services
- Demonstrate innovative products for foreign markets
- Find the right business partners and integrate Québec's strategic supply chains
- Provide the financial means to market products on foreign markets

### 3.5 RECOMMENDATIONS FOR ACTION

There are several areas of initiative that could be undertaken to ‘set the stage’ for further development of international trade for English-speaking SMEs in Québec:

- Stronger local business supports to enhance the development of SME owners’ business skills such as market development, financing, digitalization, business analysis, legal and human resources (FITT, 2017):
  - Provide resources to English-speaking entrepreneurial organizations in Québec to develop and offer the relevant skills needed to support SMEs expansion internationally.
  - A wage subsidy for an internal company person to either work on or develop the skills needed to pursue international trade.
  - The Government to offer procurement opportunities to SMEs to build their capacity and develop a “brand” that would be trusted with international suppliers or clients.
- Research is required to know what works and what doesn’t with regards to SMEs (WTO, 2016). For example, the new Marketfinder service from Google, which recommends the best markets for a business and helps create a global business plan using detailed market insights, could be a promising tool for building upon information that is currently available. Pilot projects to discover the promising practices for synthesizing these complex, evolving systems in ways that are easy-to-digest for entrepreneurs could be useful. Specifically, within the context of the Official Language Minority Communities of Québec:
  - Information provided from further investigation into the three programs in the section above will yield some insights, as will the key informant interviews and SME survey that were conducted as the second phase of this project.
  - Of particular interest is:
    - The proportion of potential between conventional international trade (production in Québec, shipping to a point of sales overseas) and e-commerce (production in Québec, shipping directly to individual purchasers overseas).
    - The use of e-commerce platforms such as E-Bay, Amazon, and Alibaba which facilitate transactions as well as settlements. E-commerce has seen 41% growth rate worldwide in 2 years, yet 83% of Canadian SMEs are not set up to take payment online.
- Active engagement with businesses to provide information about international trade, and easier access to programs (Desjardins, 2014).
  - English-community lead initiatives to familiarize business with international market trends, particularly foreign markets, and how to showcase SME products (missions and exhibitions).
  - Explore models for increased engagement such as Commerce International Cote-Nord approach for the English-speaking community (rather than a regional territory), or FITT-type workshops.
  - Facilitating access to educational programs (workshops, conferences, courses), mentorship programs, settlement services, and business entrepreneurship programs, and having one access point for all services to ease gaps in knowledge and access of available support (Hire Immigrants, 2015)
- Strengthening of links between government, support organizations and businesses (high touch approach)

- This could be developed using support from the Québec Export Strategy or Export Development Canada (which will require further investigation).
- This might be achieved through supporting investment in progressive trade (“Making trade work for people”, Industry Canada, 2017) which could include Official Language Minority Communities as well as specific groupings such as youth, women, and newcomers (FITT, 2017).

## 4. SURVEYS

Two online surveys were created and the link distributed by YES to their network of over 400 partners and affiliates as well as to their entrepreneurial clients across the province of Québec. A total of 152 responses had been collected by the end of February 2018.

- Accessing New Markets as an English-speaking SMEs – 94 respondents
- Creating New Markets for English-speaking Start-up's – 48 respondents

The second survey was created to see if there was a significant difference between newly created businesses (< 1 year) and those that have been in operation for a longer period of time. Since more than half (53%) of those who responded to the SME survey declared themselves as being a “start-up” enterprise, the overall results of the two surveys are quite similar. Therefore, the results are reported together along with a notation if there is a significant variation between the two groups (> 5%).

### Terms

Unless otherwise specified:

“Almost all” represents	> 90%
“Most” represents	> 75%
“Majority” represents	> 50%
“Significant number” represents	> 25%

### 4.1 CHARACTERISTICS OF RESPONDENTS

#### *Personal Information*

The majority of respondents (57%) were born in Canada; those who were born outside of Canada originated from over two dozen different countries.

The majority of respondents were female (56%), except for the start-up survey respondents where there was a gender balance (50% male and 50 % female).

The majority of respondents spoke English as their first language, with a significant number reporting other languages, and the majority operate their business in English. Almost all (86%) declared that they had a sufficient knowledge of English and French and two thirds declared that their first language did not create a barrier for accessing all levels of support.

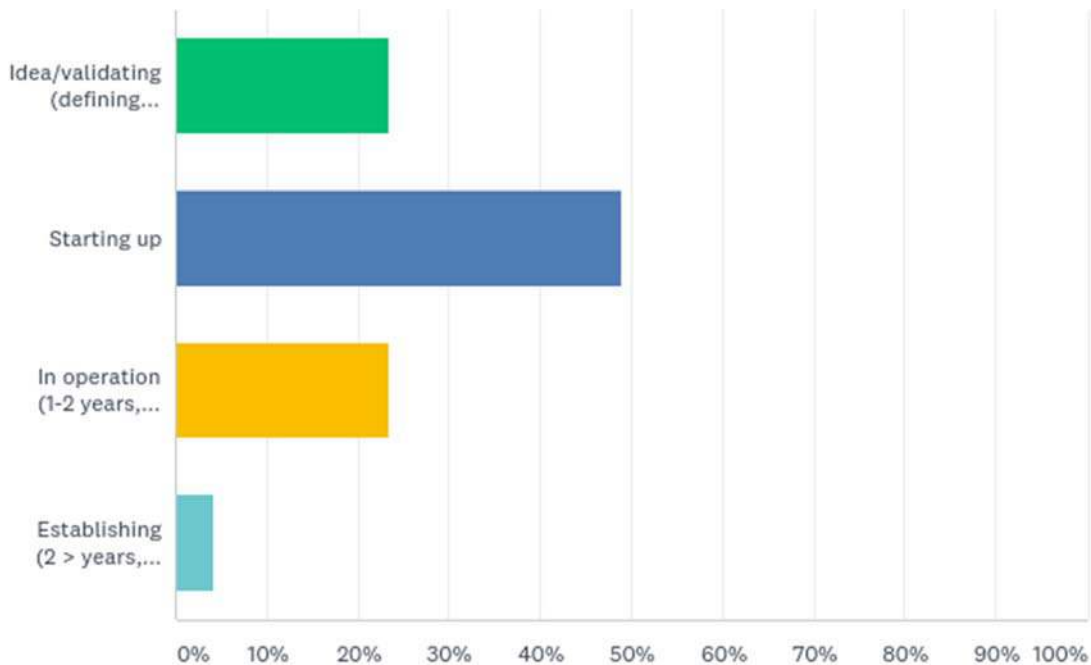
A significant number (34%) declared themselves as being from a visible minority, which represented a dozen ethnic backgrounds.

### *Business Information*

The majority (80%) of respondents identified themselves as the owner of the enterprise, the majority of which are located in the Montreal region, and where a majority of the respondents also reside. Two thirds of the SMEs have been in business for less than five years, a level which reached 95% for the respondents in the start-up survey. Almost all the enterprises have five employees or less and generate less than \$250,000 in annual sales.

Those responding to the start-up survey were asked what stage of development they considered their business to have reached. The majority were still at the idea/validation or start-up stage.

#### **Q9: At what stage of development is your business? (Start-up survey)**



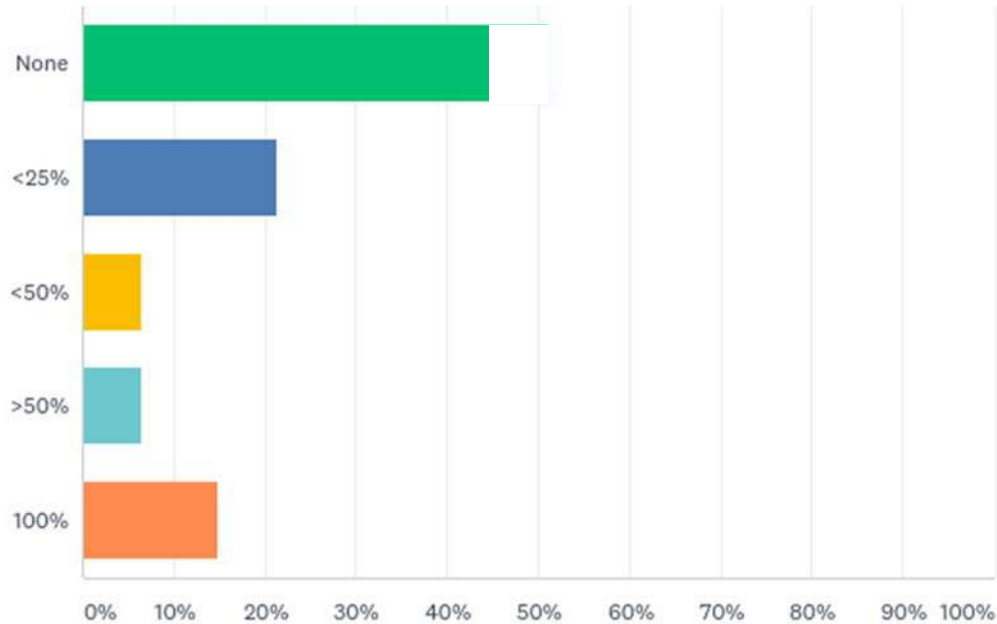
The respondents were asked to declare in which sector they would classify their business, with 18 different categories to choose from including “other”. A significant number (26%) considered that arts and culture is their primary business sector, although this was somewhat lower (15%) for those responding in the start-up survey. The second-largest category was the technology sector (19%), followed by retail (13%), as reported by start-up respondents. Consulting was the fourth-largest segment for SME respondents (12.5%), with all remaining categories at 10% or less.

### *E-commerce*

Regarding e-commerce, a significant number of respondents declared that they had no online sales (45%), while 15% stated that 100% of their sales were done online. Only 17% of the SME enterprises

consider online sales to be the geographic scope of their business, whereas this figure rises to 30% for those responding to the start-up survey.

**Q13: What proportion of your sales are done online? (combined surveys)**



*International Trade*

For those responding to the SME survey, a significant number (39%) listed city or town as the geographic scope for their business. Given the predominance of enterprises located in the Greater Montreal region, it can be inferred that Montreal is the city where these enterprises are doing business.

A significant number of respondents (35%) described the geographic scope of their business as being international, although nearly half of all respondents indicated they had no experience with international trade at all. Most of the respondents who indicated some form of international business experience did so in relation to previous employment overseas, and this was largely in the areas of services, importing and exporting. The majority of international trade involved Canada (importing) and the United States (exporting).

*Support*

With regard to international business support, the majority of respondents reported not receiving any support, including a significant number of “not applicable” responses, presumably because they had no previous experience with international trade. For those that did indicate receiving support, most of the support came through previous business experience, family members, friends, and the internet. Very few used any of the formal programs (training, services, etc.) offered by government and other

agencies, and other avenues mentioned were formal education and trade shows. Most of those who did receive some form of support indicated that they accessed these support services for six months or less.

In terms of rating the usefulness of these services, there was a marked difference between the respondents to the SME survey and those who responded to the start-up survey. A significant number (37%) of SME respondents found that these services were not at all useful, compared to only 20.5% for start-ups. In fact, 35% of start-up respondents found these services extremely or very useful, whereas only 22% of the SME respondents did so. The same proportions between the two survey groups were evident regarding their assessment of whether they received sufficient support to develop their international trade initiative – only 14% of SME respondents strongly or somewhat agreed, versus 19.5% for the start-up respondents. However, the majority (80%) of all respondents indicated that they will need additional support to successfully engage in international trade.

## Q22 How would you rate the impact these services had on your international trade endeavours?

### *SME respondents*

	EXTREMELY USEFUL	VERY USEFUL	SOMEWHAT USEFUL	SLIGHTLY USEFUL	NOT AT ALL USEFUL	TOTAL	WEIGHTED AVERAGE
(no label)	2.56% 2	19.23% 15	24.36% 19	16.67% 13	37.18% 29	78	3.67

### *Start-up respondents*

	EXTREMELY USEFUL	VERY USEFUL	SOMEWHAT USEFUL	SLIGHTLY USEFUL	NOT AT ALL USEFUL	TOTAL	WEIGHTED AVERAGE
(no label)	20.59% 7	14.71% 5	20.59% 7	23.53% 8	20.59% 7	34	3.09

### *Best Practices*

Respondents were asked to choose the top five from amongst 11 'best practises' that might assist them to grow their business through international trade. None of the best practices stood out as most received rankings from first to fifth place and there were no large differences in overall weightings between the different options<sup>6</sup>.

<sup>6</sup> Survey Monkey provides a weighted average to questions requiring a ranking. For the two surveys, 1.00 represents the highest ranking, and 5.00 the lowest.



### Top 5

- 2.69 Customized international business training to meet the specific needs of a company or organization
- 2.74 Mentorship programs
- 2.82 Online courses to help grow export-import business
- 2.81 Workshops that allow companies to decide whether international business is for them
- 2.85 Assistance in building an e-commerce strategy for penetrating external markets
- 2.85 Settlement services

### *Challenges*

A similar ranking exercise was offered in the surveys on the question of challenges faced by SMEs in Québec when trying to capitalize on opportunities in international trade, with respondents again being asked to choose the top five. While overall rankings for the 13 challenges listed were quite similar, the challenge of establishing contact with potential foreign customers was ranked as the number one challenge by a majority of both SME and start-up respondents.

### Top 5

- 2.02 Establishing contact with potential foreign customers
- 2.64 Accessing financing for internationalization of trade
- 2.92 Securing reliable foreign representation
- 2.95 Access to information about foreign distribution networks
- 3.07 Challenges accessing or locating government services

### *Opportunities*

On the question of the top five opportunities in international trade, once again the overall rankings between the 11 options listed were fairly even. A majority of start-up respondents ranked niche markets as being the number one opportunity, closely followed by e-commerce.

### Top 5

- 2.43 Niche markets
- 2.43 E-commerce
- 2.77 Innovative products
- 2.77 Brand 'Canada'
- 3.00 Creative economy

### *Gaps*

The next ranking exercise in the surveys involved identifying the gaps in capacity for SMEs to seize opportunities in international trade. Consistent with the ranking on challenges, the top-ranked gap was the capacity to identify business opportunities in foreign markets, with most respondents ranking this gap as first or second out of five.

### Top 5

- 1.97 Identifying business opportunities in foreign markets
- 2.57 Finding the necessary funding for internationalizing trade
- 2.64 Determining appropriate strategy (direct or indirect exports, invest overseas, etc.)
- 2.81 Finding and verifying business partners, suppliers, etc.
- 3.02 Support for R&D, innovation

### *Information Transfer*

The final ranking exercise was to examine the transfer of information to and between SMEs in Québec. This had been identified in the literature review (first part of this study) as an important factor in assisting businesses to acquire opportunities in international trade. Both SME and start-up respondents identified three very clear priorities in this regard.

### Top 3

- 1.51 One-stop website for international trade
- 1.80 Coaching (assigned specialist)
- 2.01 Toll-free hotline

## **4.2 FINDINGS**

Most of the English-speaking owners and managers of SMEs responding to the YES survey declared themselves as being capable in both English and French as the main languages of business in Québec and Canada, and believe that language, as English speakers in Québec, is not a barrier to international trade. Yet, the access to English-language international business services varied within the Province.

The majority of enterprises participating in the survey were owned or managed by a woman, which is a significantly higher proportion than in businesses in Québec as a whole<sup>7</sup>. Almost a third of respondents identified as being a member of a visible minority, which is somewhat higher than the level found in the general population of Greater Montreal<sup>8</sup>.

Most of the businesses responding to the survey are small enterprises with less than \$250,000 in sales and in non-manufacturing sectors – services, retail and arts and culture. While nearly half of participating businesses are not using e-commerce as a way to carry on business, the practice is growing, and respondents recognize the opportunity in this area for international trade.

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<sup>7</sup> 19% in 2010, <https://www.thebalance.com/statistics-on-canadian-women-in-business-2948029>

<sup>8</sup> 24%, 2016 Census, <http://tinyurl.com/yco553eo>

A majority of survey respondents have some form of international business experience, but this is largely through previous employment. Most of the declared international trade activity amongst respondents is confined to Canada (importing) and the United States (exporting).

The majority of respondents had used mainly informal sources of support for their international trade efforts – family, friends, and the internet – and much less so the formal programs offered by government and agencies. For those who had used formal support programs and services, there was mixed opinion as to their usefulness. However, most of them indicated that they would be needing future support in order to be successful in the international trade initiatives.

In terms of best practices that could be followed by those offering support programs and services, the top five were composed mostly of learning or training programs, including mentors, workshops, and online courses.

The top five challenges faced by SMEs regarding international trade largely focused on services that could assist in accessing international markets – contacting foreign customers, access to finance and assistance with border regulations. The top five gaps in the capacity of SMEs to seize opportunities in international trade largely correlated with the challenges, speaking again to the need for direct services with specific expertise in certain areas.

Given that two of the top three preferences for information transfer involved support services (hotline and coaching), the needs of SMEs around international trade indicate that information, learning and training are important, but must be accompanied by direct services in specific areas for which the investment (figuring out border regulations and finding contacts in overseas locations, for example) are too much for small businesses without expert assistance.

Respondents also identified a number of opportunities consistent with the general nature of their small, non-manufacturing enterprises: niche markets (“No one is going to be taking on Walmart” in the words of one respondent) and e-commerce as a means for sales without necessarily establishing facilities and personnel in another country.

## 5. INTERVIEWS & DISCUSSION GROUPS

In order to gain insight into how entrepreneurs access and use support in developing their business internationally; 14 interviews with key industry stakeholders (including government, businesses, and community-based organizations) were conducted one-on-one by telephone and 6 entrepreneurs participated in two online discussion groups.

Those interviewed were asked a series of questions (see interview guide in the appendix) related to their perspectives on international trade in general, the capacity of English-speaking SMEs in Québec to engage in international trade, the types of support services that they might need, what YES could do to assist them and possibilities for case studies. The discussion group followed the same framework to assist participants in their conversations related to international trade.

The interviewees represented a range of different businesses, institutions, and sector groups:

- One small and one medium-sized manufacturing enterprise with sales to Canada and the United States;
- Two small-sized enterprises importing raw product in bulk (some materials from Europe) and then repackaging for retail sale in Canada and the United States;
- Three designers and producers of artistic products that are sold in retail stores (Canada and the US) and online;
- Five online service providers (business software developer, training programs, audio/visual and media services);
- Three representatives of organizations or agencies involved with international trade support.

Four of the enterprises were in the start-up phase, and two of the businesses had been in operation for more than five years. Seven of the people interviewed had immigrated to Canada as adults, and six of the interviewees were women.

### Terms

Unless otherwise specified:

“Almost all” represents	> 90%
“Most” represents	> 75%
“Majority” represents	> 50%
“Some” represents	> 25%

### 5.1 PERSPECTIVES ON INTERNATIONAL TRADE

All of the interviewees had some experience with international trade. Even those in start-up phase had made some sales through their own network or attended a trade show or other event in another country. All planned to or hoped to be able to increase their exports or imports; some were thinking

about next steps, some were actively pursuing plans (i.e. redoing their website), and some were in the process of adding capacity (agent in the US, new facilities, etc.)

## **Opportunities**

### *Opportunities in international trade for SMEs in Québec*

All of the interviewees saw opportunities for increasing international trade, the main question for them was how to go about it (see sections on risks below) as well as the ability to identify trends or opportunities (new markets or countries) . The opportunities mentioned mostly related to the size and proximity of the US market, the possibilities for niche markets (specialized or high-quality products, both import and export) and, for some, exploiting ‘Canada’ – the reputation of the brand and the exchange rate. Other opportunities that were mentioned included seeking less saturated markets (some interviewees mentioned that the local Montreal market was already saturated for artistic products), as well as the recently signed Canada European Trade Agreement (CETA).

Some interviewees mentioned that Montreal was a cultural crossroad for French, English and, increasingly, Spanish, and this offered opportunity for both the US (predominant) and the EU (emerging) as international trade markets for SMEs. One of the entrepreneurs interviewed had specifically chosen Montreal as a location to expand their US-based services because of the language resources available, and now see it as a bridge to the EU market as well.

## **Facilitating Trade**

### *Making international trade easier*

Most of those interviewed mentioned that the internet (and the possibilities of e-commerce) was the main thing that was making international trade easier. This included the ability to reach out and communicate with partners and potential customers as well as actually handle sales transactions (ordering, settlement, and shipping). It was noted that the presence of the internet does not replace the necessity to engage with prospective partners, suppliers and clients, there is still essential value in meeting face-to-face at some stage of the relationship-building process.

Some interviewees cited the proliferation of available information and services through government departments, agencies and organizations as changes that have made elements of international trade easier, but it truly depended on the country of transaction. An example given was the Canada Post “Canada Postal Guide”<sup>9</sup> which lists the ABCs of mailing shipments and includes a comprehensive listing of pricing and terms for countries around the world including Antarctica.

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<sup>9</sup> <https://www.canadapost.ca/tools/pg/manual/default-e.asp>

## **Pitfalls**

### *Common pitfalls for SMEs*

The only significant pitfall mentioned by some of those interviewed was the mistake of making ‘cultural assumptions’ or “not understanding international standards of compliance”— just because business is done in a certain way in Canada, don’t expect that it will be the same in other countries or markets. One example cited was doing business in Europe where there are many different cultures so one cannot assume that dealing with one market (the EU) will be the same for the different countries and cultures within that market. It was also noted that the US market is made up of 50 states, each one with their own sales tax and other regulatory requirements.

## **Risks**

### *Risks inherent for SMEs in international trade*

Generally, the interviewees didn’t express a high level of risk in engaging in international trade, mostly because they intended to export to the United States, a country with a similar economic structure to that in Canada, or to another country with which they were already familiar. Also, some of the more common risks, such as payment settlement and exchange rates, were considered part of good business management rather than something specific to just international trade. This level of risk varied based on the experience the interviewee had in international trade.

A main concern was the risk of making a wrong decision – hiring an agent, or not; locating a facility here or there; picking the right distributor, not getting paid, etc. These are all business decisions related to having the time and resources to seek out the information or partners necessary to make the right decisions regarding their foray into international trade. The less time and resources invested in such activities, the higher the level of risk in achieving progress or success. This shows the need to have accompaniment to encourage entering new markets and suggests that English-speaking SMEs have a high level of concern entering unfamiliar countries which is a potential loss of opportunity.

Another risk mentioned was lower-priced competition from developing countries, such as India and China, where outsourcing and online services at discounted prices are offered. Focusing on a niche market, or one with higher demands for quality, were seen as ways to mitigate the lower-cost competition.

## **Best Practises**

### *Best practises to assist SMEs in Québec to grow their business through international trade*

Those interviewed had a number of suggestions that they considered to be best practices, most of which revolved around being prepared, building relationships, and finding support.

'Being prepared' refers to the beginning of the process, generating an idea and becoming committed to its implementation. This could mean spending time in the market or with suppliers in addition to attending workshops or taking courses. Developing an export plan and assembling a team, not just of employees but advisors or other support personnel, was also recommended. Most of those interviewed mentioned the coaching services supplied by YES (and other organizations) as having been essential to their success, but do not have a dedicated resource or program for international trade.

*"You have to be very committed to an idea, and then expand on that."*

*"Be prepared. Don't jump too soon."*

Establishing a point of contact in the import or export market was suggested as being important, even for online sales, to facilitate the flow of market information and assist with problem resolution. While this can be a challenge, the benefits of visiting trade shows, supplier facilities and points of sale in other countries were seen as the main ways to find these contacts and partners. One respondent cited targeting US companies in Montreal as local clients with the aim of then getting further business opportunities with the parent company or the head office in the US.

Networking was repeatedly mentioned as an essential ingredient of success; the opportunity to meet others doing similar things was invaluable (even if they might eventually be competitors). One respondent suggested setting up a buddy system, pairing entrepreneurs, or even companies in different countries – a 'they help you export, you help them export' type of arrangement.

Coaching was the most frequently mentioned service that respondents found useful. Numerous people said that coaching sessions gave them the opportunity to explore ideas, ask questions, be challenged, and get feedback, especially in the early stages when they hadn't yet reached a level where a technical advisor or consultant would be useful. Several people said that their business coach was their "psychologist" or "a shoulder to lean on".

*"You wouldn't immigrate without an immigration advisor, why would you start a business without a coach?"*

## 5.2 CAPACITY OF ENGLISH-SPEAKING SMEs

### Challenges

*Challenges English-speaking SMEs encounter in Québec when trying to capitalize on the opportunities presented by international trade*

Most respondents didn't feel there are significant impediments to engaging in international trade as an English-speaking enterprise located in Québec. They all indicated they were sufficiently bilingual and a majority spoke a third language as well. In fact, most saw it as an asset given that English is the main

business language in the rest of Canada and the US. The challenges that were mentioned related more to the culture of carrying on a business here in Québec – how things are done compared to elsewhere - and the fact that government services were not considered to be useful (see section on service gaps below) or at the needed level of accompaniment or sometimes not in the language of choice. Doing research to find the right information was frequently cited as a challenge.

### **Service Gaps**

#### *Service gaps in the capacity of SMEs in Québec to seize opportunities in international trade*

The gaps in services that could help SMEs with international trade that were mentioned largely related to the services provided by government. Most respondents acknowledged that there was plenty of information available and accessible, but little of it was useful. Common complaints were that it was too vague to be useful, or too complicated to understand regardless of language. One interviewee said that Québec government business services demand too much information and data, making the application process for assistance too complicated – it's not worth the effort for the return.

*“I get on the phone. A government website is the last place I'll go.”*

To address this service gap, respondents suggested the availability of personnel to help navigate the vast amounts of information available and suggest contacts and other places to go for assistance (coaching or mentoring). The format of 'step-by-step' guide was also considered more useful as a way to present information by some interviewees. They also suggested that there needs to be more information targeting specific businesses regarding international trade – jewellers, photographers and fashion designers are all artists, yet they all have specific requirements for their business that are not covered by general information sources.

Some interviewees mentioned that the most useful programs were often targeted at youth (under 35 years of age), and two respondents mentioned that they were interested in a government program but were 36 years of age when they discovered it. They found this strange given that many people don't become entrepreneurs until later in life once they have acquired some work and/or business experience. They weren't speaking against youth programs but thought that expanding eligibility to these types of programs would be beneficial, especially for international trade.

### **Information Transfer**

#### *Improving the transfer of information to and between English-speaking SMEs in Québec to assist these businesses in acquiring opportunities in international trade*

Creating networking opportunities was the most frequently cited way of improving information transfer. In addition to networking style events (conferences, seminars, workshops, trade missions, etc.), peer-to-peer groups were noted as a good way to enhance the transfer of information. One interviewee mentioned that he meets with a group of owners of similar-sized businesses every month just to talk 'business' and exchange points of view and information.



*“I’m a great believer in asking questions.”*

Building on the networking aspect, some interviewees said that they needed more specific or targeted networking opportunities to continue to make progress. The general sessions offered by, for example, the Chamber of Commerce or organizations such as YES, were very helpful at the beginning, but now they needed more international connections. Suggestions were round tables at conference events for the same kinds of businesses (i.e. jewellers or web design), or online forums (i.e. Reddit or Facebook).

## **Support**

*Support to assist SMEs in Québec to build their capacity to develop their business ideas as well as grow existing business.*

Generally, interviewees talked about support services that were either more specific to their type of business, or ones they could interact with. An important thread amongst the various suggestions was the potential of the service to save time for the entrepreneurs. Being almost all micro (< 5 employees) or small businesses (5-10 employees), they do not have sufficient staff to complete additional tasks, so the entrepreneurs must do it themselves. Notable suggestions were support services that could help with filling out forms or applications (so they will be done correctly), and step-by-step guides (as compared to the provision of general information); one example given was the “Montreal Entrepreneurs Roadmap”, a publication from the Chambre de Commerce, which could be adapted to be a Futurpreneur’s guide to point those start-ups in the right direction. Under the time saving theme, “one-stop shopping” events, where respondents can get a wide range of information and meet useful contacts, was also mentioned several times.

A person they could speak to for references, contact information and suggestions of events to attend was mentioned numerous times; just providing a list without some interpretation of the potential for each contact or reference was not considered useful. The respondents were quite willing to make the calls and do the leg work themselves, but they indicated that it was difficult to know where to start.

Coaching was another frequently mentioned support service, especially having access to someone with specific knowledge about a particular type of business as it moves beyond the start-up phase into international trade. It would be a challenge for most service organizations to have available the wide variety of specialized coaches that need implies, and so points to the important role that mentors could play if their area of experience can be matched with the type of business the entrepreneur is developing.

Interviewees acknowledged that there were a large number of resources available through government departments and agencies, but as previously noted, they did not find them either useful or adapted to their type or scale of business or the place they felt comfortable.

## 5.3 OTHER TOPICS

### Women and Immigrants

*Additional supports for women and new immigrants given their additional barriers to starting or growing a business.*

Given that amongst the respondents there were both women and immigrants, there were sentiments expressed regarding barriers to growing their business that were different from those generally encountered. One woman respondent noted that “women always have to work harder” and several of the respondents who had immigrated to Canada mentioned the challenge of adapting to the culture of business but did not consider it a barrier.

### Creative Economy

*Supports to encourage English-speaking entrepreneurs to start initiatives in the creative economy.*

Respondents were provided with the following description of creative economy:

A creative economy is based on the concept that value is based on novel imaginative qualities rather than the traditional resources of land, labour, and capital. Creativity has been identified as being a driver of economic development, one that is under appreciated in Québec.

Even though some of the respondents would be considered part of the creative economy due to their business activities, only a few had some familiarity with the term and none of them considered it to be a part of their business concept.

### YES

*The single most important thing that could be done by YES to assist English-speaking SMEs in Québec to develop their business ideas as well as grow existing business.*

Most of those interviewed had some previous or current involvement with YES through: networking events, workshops, coaching, etc. All were highly complimentary of YES, their services and their support. Some stated that they had participated in the interviews because they felt they owed YES for what the organization had provided them in starting up their business.

*“I have been impressed with the value of services, how YES shares information and open doors.”*

*“You have no idea how precious YES is to me.”*

The main suggestion for YES would be to provide more specific or targeted services in international trade to assist entrepreneurs move their business to the next stage. They mentioned that YES had provided them with essential support at the beginning but that they now needed more focused support specific to their type of business (which would include the aspect of international trade).

## 6. PROFILE OF SME GOING INTERNATIONAL

During the course of the interviews, there were numerous examples of SMEs 'going international' with their businesses. This section profiles the efforts and outcomes of one business to expand their operations into foreign markets to provide insight and highlight some of the best practises, challenges and support mentioned earlier in this report.

### 6.1 TULLOCHGORUM FARM

Selling popcorn from Canada into the US may seem like 'carrying coals to Newcastle', but it was serendipity that initiated Tullochgorum Farm's international sales, which now account for 30% of their annual popcorn production. Owners Loraine and Steve Lalonde had a passion for popcorn which led them to begin growing the crop in 1997 on their certified organic farm in Ormstown, Québec.

Situated in south-western Québec, Tullochgorum Farm produces a variety of organic grains, taking advantage of high quality soils and a longer growing season than can be found in the rest of the province. Their switch to organic was motivated by a desire to eliminate the use of synthetic pesticides and to capture more value from their produce while reducing costs.

The popcorn varieties planted by Tullochgorum Farm were largely chosen because they can be grown in the most northerly agronomic region for popcorn. They also possess uniquely coloured kernels that pop open white once heated and have a different flavour from the more common yellow popcorn varieties found in movie theatres and supermarket chains. The Lalonde's have capitalized on this uniqueness in their branding with names like "White Lightning" and "Midnight Special". They'll soon be offering a red variety which has even better agronomic and taste characteristics than its predecessor black-coloured variety.



*"Midnight Special" organic popcorn*

Despite losses in the early years due to lack of experience in growing popcorn in a northern climate, as well as several years with challenging weather, their choice to seize the opportunity to export their popcorn has turned out to be a trifecta: premium returns from organic prices, direct-to-retail sales and a favourable exchange rate for the US dollar.

The Lalonde's had focused on gradually building up their Canadian market without considering the potential for exports. Starting at the local farmers' market, then at local retail outlets, they have moved onto distributors, third-party online sales and recently to bulk shipments to a cooperative. They are currently developing their own website to handle online sales and have invested in a new seed cleaning and bagging facility, so they control all the production and processing components of the popcorn business, and a significant portion of distribution as well.



Ferme Tullochgorum  
★★★★★ White Lightning  
popcorn 1kg  
\$8.19

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*Tullochgorum Farm popcorn is sold online by Terroirs Québec, a company offering local or regional products, made or processed in Québec.*

Their move into the US market was purely driven by opportunity. While speaking at an organic crops conference in Vermont in 2012, Steve Lalonde was approached by someone in the audience who asked to buy their popcorn. They started with occasional deliveries in the back of their station wagon and now make monthly deliveries direct to three retail outlets in Vermont and have developed distribution contacts if they decide to further expand US sales.

Despite the favourable margins – conventional yellow grain corn sells for less than \$200/tonne CAD as a commodity, while the value of a tonne of certified organic popcorn ranges from \$3,000 to \$5,000 CAD depending on the format (bulk or bags) - other considerations come into play with further expansion. Shipments over \$2,000 USD require a broker, which means higher costs and more paperwork. And higher volumes will require separate bags given the different labelling requirements south of the border. Currently they add the US labels manually but that would no longer be efficient with higher volumes and a minimum order of pre-labelled bags is 10,000 units – so they need to be sure the additional market is there before taking the next step.

### **Key Points**

The Lalonde’s popcorn venture has now stretched over two decades, and while the first decade was largely devoted to developing the product and markets, the journey is far from over. Their recent (2016) financial investment in new facilities and equipment has positioned their operation to expand as viable opportunities present themselves. Some of the lessons they have learned in developing their international trade . . .

#### Step-by-step

In their efforts to diversify crop production, the Lalonde’s had already tried hemp and flax (for fibre) without success, so they knew to go step-by-step with popcorn. This allowed them to refine the production model and test the market in a local context where no one else was growing or selling popcorn. This allowed them to establish a dependable production base from which they can build their export sales. Even today, they only need 6 acres of farmland for popcorn production, out of 220 total acres of organic crops, so they still have room for expansion or new varieties.

#### Time on Their Side

In addition to their regular organic crop commodities (wheat, barley, grain corn and soybeans), they also produce 182,000 broiler chickens annually for the conventional market, so they had sufficient financial resources to be able to risk experimentation with their international venture and in trying to find the road to success.

#### Opportunity Knocks

When opportunity did knock (possibility of US sales), the Lalonde’s were ready. They had built up Canadian sales to the point where the production and processing capacity could handle an increase in demand over a short time period. Given the unknowns about exporting popcorn when they started, they had the capacity (inventory, product development) to test the export waters without risking a large investment. Having achieved success with their initial foray into the US market and built up their processing capacity, they are now positioned to increase production to meet demand. They are currently developing a new website to improve marketing efforts, and which will include the capacity for online sales.

### Due Diligence

Even with opportunities, due diligence is an important attribute. One of the Lalonde's Vermont clients is buying the popcorn to make 'popped' popcorn, flavoured and ready to eat from the bag. The inquiry for them to supply the popcorn already popped seemed like an interesting project with even more added value, but the realization that popped popcorn then became a processed food changed the assessment. Being a processed food transferred the product over to an entirely different set of regulations and brought with it the burden of sales taxes (as a commercial rather than an agricultural product). So, despite the apparent opportunity, caution was in order.

### Small Is Beautiful

Starting out with a carload of deliveries allowed the Lalonde's to figure out what was required to get produce across the border. They discovered that their small shipments were 'paperwork lite' and when they did make mistakes or were missing a permit, the border authorities were inclined to be helpful rather than a hindrance. Several years of self-prepared and self-delivered shipments have now situated Tullochgorum Farm to move to the next step (expansion, when they make that decision) with confidence.

### Government Assistance

Over the course of this initiative, government involvement was minimal. Similar to previous experiences, the Lalonde's found that government programs and services were not adapted to their needs, especially in that they offered little expertise in the niche area of new types of production. Agencies mostly only provided information, which they sometimes already had, and not advice or responses to questions which they needed to interpret the information on hand. Lastly, government programs tend to push for 'big solutions' rather than smaller projects, resulting in larger financing requirements and therefore higher risk.



*Harvesting organic popcorn at Tullochgorum Farm*

*All photo credits: Loraine Lamb-Lalonde*

## **Lessons Learned**

The experience of Tullochgorum Farm in venturing into international trade was consistent with some of the key findings in this report. Some of the lessons learned along the way . . .

### Need of Exposure

While they didn't attend a tradeshow per se, their presence at an event brought them exposure to potential clients that then opened their foray into international trade. One retail sales location soon multiplied into others demonstrating that initial exposure in a new market is important at the beginning.

### Need of Support

As farmers, they were accustomed to using expert and consulting services (accountant, agronomist, etc.) but they were unable to locate any programs or personnel that could provide the particular support they needed given the very niche nature of their product. In the absence of specialized support, the longer-term process of trial and error work well as they figured out the best options for processing, packaging, shipping, and paperwork across the border.

### Need of Specialized Knowledge

Transporting materials across the border proved less of a challenge than anticipated but nevertheless required research and attention to detail to establish an efficient routine for shipments. This also required clients to be compliant as they need an import permit to be able to receive the goods and this was the cause of most paperwork problems when they did arise.

The farm's proximity to the US (15 minutes north of the NY border) had resulted in regular visits across the border for both business (agriculture) and personal activities, which mitigated the 'culture shock' of dealing with the commercial structures in the US. They already had a USD currency bank account and had been networking with organic farmers in NY and Vermont for numerous years who were useful in providing information on additional market outlets.

## **Conclusion**

Tullochgorum Farm had been involved in international sales in indirect way for some years as their organic soybeans were being exported to Japan by a grain dealer, but they hadn't thought of sales to the US as part of their popcorn business plan at the beginning. Seizing the opportunity when it arose has now allowed them to export 30% of their production and reap the rewards of additional sales at a premium price due to the favourable exchange rate. They chose an incremental pace to building up the business given the absence of specialized support and the need to expand production and processing capacity to meet rising demand. With the expanded facilities in place and some experience in cross-border transactions under their belt, they are now positioned to move to the next stage of larger shipments to both individual customers and distributors which they have cultivated through the network they have cultivated travelling in the US for deliveries and other agriculture events. They will complement this shortly with an e-commerce website to further enhance marketing and sales.

## 7. CONCLUSIONS

SMEs recognize that e-commerce, trade agreements and multiple shipping options have changed the international trading landscape resulting in the emergence of a variety of business opportunities. Despite this, the sector faces numerous challenges in further exploiting these opportunities due to the lack of understanding of SMEs within the international marketplace, the complexity of dealing with overseas markets (regulations, culture) and the lack of appropriate managerial skills within the SMEs themselves (WTO, 2016).

English-speaking business owners and entrepreneurs who participated in this study are well positioned to take advantage of the international trade opportunities given that they are mostly bilingual and can therefore put their English language capabilities to work overseas while using their French language skills to access information and resources within Québec. While the majority of the respondents have some level of proficiency in French, their preference is to use English language services due to the complexity of the topics or issues being addressed. In addition, there are unilingual entrepreneurs (12.5% of survey respondents) as well as those from other countries (25% of survey respondents) whose French language skills are not always sufficient.

Generally, responses indicated that there are opportunities in international trade and regarded being bilingual in Québec as an asset rather than as a barrier. This being said, they must still deal with the same challenges that face all SMEs that decide to engage in international trade such as establishing contact with potential foreign customers, securing reliable foreign representation, accessing financing, and meeting the costs of accessing markets.

The information gathered for this report has provided a number of suggestions for specific actions that could be followed to assist English-speaking SMEs to better engage in international trade.

### Information and Support

It was generally acknowledged that there was sufficient information available regarding international trade, but it was also stated that much of this was 'inaccessible': too much, too complex, too vague, too overwhelming – business owners and entrepreneurs said they didn't know where to start and didn't have the time, staff, or expertise to take on these additional tasks. Therefore, a lot of information is not being utilized effectively. This not only speaks to the need for improved levels of support to accompany the information already available but also certain kinds of support, such as coaching, mentoring, technical expertise in specific sectors, skills development (i.e. marketing) and services to facilitate contacts in foreign markets, to enable SMEs to put the information to work. Information, by itself, will not help advance the participation of SMEs in international trade.

### Networking

Networking opportunities were seen as valuable ways to exchange information between business owners and entrepreneurs. Aside from commonly organized events such as conferences and workshops, suggestions were made for smaller, more focused activities such as sector-specific round tables and peer-to-peer groups (i.e. similar sized small businesses) and trade missions for English-speaking SMEs. These tailored networking activities not only address the need for more sector specific exchanges but also create longer-term learning and relationship-building opportunities. Adaptation to program design and offerings should take this into account.



### E-commerce

There was general recognition that the recent emergence of e-commerce was a game changer in allowing SMEs to venture into international trade, particularly exports. All recognized the potential of the internet for expanding their international business, both for promotion and direct sales, and as an adjunct to their other business activities. However, most SMEs have only limited e-commerce offerings and many none at all. Given that most SMEs are not large enough to support a dedicated IT person, assisting SMEs to develop and implement an e-commerce plan would be an important contribution to expanding both their domestic and international sales potential.

### Further Research

The study has provided comprehensive insights into the situation regarding international trade for segments of the English-speaking business landscape: small businesses and start-ups with fewer than five employees, bilingual, and predominantly located in the Greater Montreal Area with a high proportion of ownership by women and those self-identifying as a visible minority.

This outcome speaks to the need for further insight/research into medium-sized businesses engaging in international trade, SMEs located outside of the Greater Montreal Area, as well as those business owners/managers whose French language capacity is not sufficient to take full advantage of the French language services available in Québec.

Two other areas are also worthy of further research given their potential to respond to some of the findings in this report. The first is the role of mentors given the expressed need by the interviewees to have access to more specialized support (i.e. coaching) once they grow beyond the start-up phase.

Lastly, the arrival of automated service providers such as Google's Marketfinder, which combines the vast amounts of data collected with the power of analytics, requires further examination. Such tools could potentially respond to many of the questions that entrepreneurs seek to answer before embarking on a particular international trade venture.

### Women and Visible Minorities

Given that there was a much higher level of participation in the surveys and interviews by women and persons identifying themselves as a visible minority than in the general business community, this should be viewed as an indication that these segments of the population are very much interested in international trade. Therefore, existing programs and services should be reviewed to ensure that they are adapted to the needs of these groups.

## 8. APPENDICES

### 8.1 TRADE GENERAL

#### **World Trade Report**

2016

[https://www.wto.org/english/res\\_e/publications\\_e/wtr16\\_e.htm](https://www.wto.org/english/res_e/publications_e/wtr16_e.htm)

This report examines how SMEs participate in international trade, which is becoming increasingly more inclusive to them. For a long time, international trade has been dominated by large enterprises, but due to the internet and the rise of international production networks, small businesses have the potential for success. This report stresses the lack of documentation and research regarding SME's in international trade. It highlights the need for international cooperation in order to unlock SME's trade potential through a more inclusive trading system.

Barriers to international trade:

- Most barriers for SMEs to enter international trade are internal:
  - lack of managerial skills
  - workforce capacity
  - capability to increase productivity
  - access to skilled labour
- External barriers:
  - access to information about foreign distribution networks
  - border regulations and standards
  - variable costs - such as transport, logistics, and tariffs

Recommendations:

- Enhance transparency mechanisms to facilitate access to information regarding trade
- More research is needed to know what works and what doesn't with regards to SME related provisions in trade agreements
- Cooperation and coordination among international organizations should be deepened to make their efforts directed at SME internationalization more complementary with one another

#### **Canada's progressive trade agenda**

2017

[https://www.canada.ca/en/global-affairs/news/2017/10/international\\_tradeministertopromotecanadasprogressivetradeagend.html](https://www.canada.ca/en/global-affairs/news/2017/10/international_tradeministertopromotecanadasprogressivetradeagend.html)

This report outlines Canada's vision for the future of the World Trade Organization (WTO), one where the global trading system reflects an inclusive, progressive approach that puts the middle-class front and centre by incorporating issues like gender and the needs of micro-, small, and medium-sized enterprises to ensure that the benefits of trade are more equitably distributed among all WTO members.

#### **Canada, Bilingualism, and Trade**

2014

[https://cedec.ca/wp-content/uploads/2014/12/Canada-Bilingualism-and-Trade\\_English.pdf](https://cedec.ca/wp-content/uploads/2014/12/Canada-Bilingualism-and-Trade_English.pdf)

This report explores whether there are public benefits to bilingualism, focusing on the link between trade and language using empirical analysis to see whether knowledge of French in Canada has boosted bilateral trade with French-speaking countries.

The results show that there are public benefits to bilingualism. Bilingual Canada (defined as Québec and New Brunswick), trades more with French-speaking countries than Less Bilingual Canada (the rest of Canada).

### **First Nation Small Business and Entrepreneurship in Canada**

[http://fngovernance.org/ncfng\\_research/warren\\_weir.pdf](http://fngovernance.org/ncfng_research/warren_weir.pdf)

2007

The report begins with the prevailing views on Indigenous entrepreneurship and small businesses. Then it goes on to describe and define small businesses and entrepreneurship, followed by an overview of the current state (2007) of First Nations SMEs in Canada. The next section focuses on promoting, supporting, and leading First Nations small businesses and entrepreneurs. The report concludes with a glance at the growth of small businesses, along with other opportunities and challenges. There are many barriers to understanding the differences between First Nations SMEs and other Canadian businesses, such as the lack of research and documentation, the lack of distinction between First Nations, Métis, and Inuit peoples in research, as well as a lack of understanding as to why First Nations SMEs have failed in the past.

Small business provides First Nation peoples and communities with the means to become self-determining and free from corporate and governmental control, manipulation, and exploitation. An important question identified by the report is: are current attempts to develop Aboriginal small business and entrepreneurship overly individualistic, anti-community, and more of a European and government strategy than an Indigenous approach to economic and community development?

### **Immigrant Entrepreneurship in Canada**

2015

[http://www.hireimmigrants.ca/wp-content/uploads/Immigrant\\_Entrepreneurship\\_Canada.pdf](http://www.hireimmigrants.ca/wp-content/uploads/Immigrant_Entrepreneurship_Canada.pdf)

This report brings together an amalgamation of studies that discuss the general climate of immigrant entrepreneurship within Canada touching on successes and challenges faced in previous decades and today. It also examines global immigration services and programs that focus on facilitating immigrant entrepreneurship (examples from Canada, Sweden, Germany, Finland, and the United States). Some main challenges and barriers that immigrants face when opening a business are identified, such as language, knowledge of business culture and practices, and securing financing. It also discusses some differences between the immigrant groups and how some challenges are more difficult for some groups (for example, securing financing can be more difficult for some immigrants than others). The Canadian government has a current focus on attracting highly skilled entrepreneurs interested in developing businesses in high-growth markets (new Start-Up Visa Program and the Express Entry system reflect this). In Canada, surveys show that small business owners believe that taxes are constraining the growth of their businesses.

Best practices:

- Access to educational programs, mentorship programs, settlement services, and business entrepreneurship programs are identified as essential for immigrants and having one access point for all services can ease gaps in knowledge and improve access to available support.
- Being unfamiliar with Canadian customs and procedures can make it immensely difficult for immigrant entrepreneurs to write business plans and build social and professional networks. Services and programs that provide targeted support are important to immigrants' entrepreneurial success across a diversity of businesses.

Growth of immigrant businesses through export:

- Not only are recent immigrants more likely than non-immigrants to export to non-US markets, immigrant businesses of this nature grew at an annual average rate of 21% between 2007 and 2011 while nonimmigrant businesses exporting to non-US markets grew only 2% for the same period. These numbers are reflective of recent immigrants' language, cultural knowledge, and network connections in their home country, and of the value that such connections can bring to Canadian companies.
- A 10% increase in immigrants to Canada is associated with a 1% increase in Canadian exports to the immigrants' home country and a 3% increase in imports (Head and Ries 60)
- Immigrants bring with them knowledge of and connections to their home country which can lower transaction costs of international trade with that country (Head and Ries 60).
- Also discovered was that immigrant entrepreneurs were less impactful on trade than all other immigrant classes (excluding refugees), where impact is defined as expanding Canada's foreign trade. Head and Ries explain that entrepreneurs may have a weak contribution to trade expansion because "they are admitted to Canada primarily because of capital (investors) or because they are artists (self-employed) and therefore do not bring trade knowledge or connections to Canada" (Head and Ries 59).

Resource: Canada's Start-up Visa Program

- This program allows interested parties to pursue a business idea as long as they can prove to investors that it is worth pursuing. In order to do this, applicants must reach out to designated Canadian organizations in order to obtain support. Applicants must be admitted into a business incubator, secure at least \$75,000 in investments from an angel investor group, or secure at least \$200,000 in investments from a venture capital fund. This program appears to target highly qualified immigrant entrepreneurs who show promise of creating new jobs and driving economic growth. (page 10)

## 8.2 ENGLISH COMMUNITY

### **The Vitality of Québec's English-speaking Communities: From Myth to Reality**

2011

[http://publications.gc.ca/collections/collection\\_2011/sen/yc34-0/YC34-0-411-2-eng.pdf](http://publications.gc.ca/collections/collection_2011/sen/yc34-0/YC34-0-411-2-eng.pdf)

This report from the senate committee on language minorities gives an overview of the English population in Québec by region and compares it to the French-speaking minorities in the rest of Canada. It touches upon the difference between the regions in Québec. The economic gap between

Francophones and Anglophones has decreased over the years. There is now basically no difference in median income for Francophone and Anglophone women, but Francophone men have a slightly higher median income.

In the English language minority community, there is a lack of access to schools, health services, vocational training or cultural promotion in some regions, and there is a crying need for resources, infrastructure, and support for volunteers. The English-speaking communities would like to be seen as an asset, not a threat, and would like to be able to take part in the decisions that affect their future and the future of Québec society (99-100).

### **Opportunities & Obstacles Facing English-speaking Newcomers Launching Small to Medium Enterprises (SMEs) in Québec**

2017

[https://www.yesmontreal.ca/ignitionweb/data/media\\_centre\\_files/4412/Newcomers\\_Launching\\_SMEs\\_-\\_FINAL\\_REPORT\\_-\\_24\\_Mar\\_2017.pdf](https://www.yesmontreal.ca/ignitionweb/data/media_centre_files/4412/Newcomers_Launching_SMEs_-_FINAL_REPORT_-_24_Mar_2017.pdf)

This article identifies the key barriers and opportunities that English-speaking newcomer's face when launching or planning to launch small to medium enterprises (SMEs) in Québec. See page 28 for the list of top 10 barriers to launching and growing a business.

According to their survey:

- Financial concerns (lack of start-up capital/access to finances and taxes) may prevent a lot of new immigrant businesses from launching in Québec.
- Language laws (61%) and language barriers (56%) were seen as obstacles to English-speaking immigrant business owners in our study; however, this is based on entrepreneurs' perceptions of language barriers affecting small businesses in Québec.
- Lack of network support and assistance was the #1 barrier as identified by business owners (68%) and the #3 barrier for prelaunch entrepreneurs (71%) in our sample.
- Access to business support services in English was another major barrier for the English-speaking community of newcomer-entrepreneurs.

This article provides the following recommendations at the end (more detail on pages 47-48):

1. Increase funding to develop trainings/workshops and business coaching services for English-speaking newcomers/entrepreneurs in Québec.
2. Community-based organizations serving immigrant-entrepreneurs should expand upon existing collaborations to offer direct entrepreneurship services to the local English-speaking community.
3. Develop a series of peer-to-peer support and networking groups for newcomer- entrepreneurs interested in launching SMEs in Québec.
4. Increase network support and assistance for recently arrived entrepreneurs who have launched (or are planning to launch) SMEs in Québec.
5. Offer mentoring support services to recently arrived business owners and new entrepreneurs alike.
6. Improve access to financing options for English-speaking newcomers who want to start a small to medium-size business in Québec.
7. The Québec government and local Québec municipalities should revisit existing tax structures for small to medium-size business owners.

## **The Creative Economy and the English-speaking Communities in Québec**

2012

[https://www.ic.gc.ca/eic/site/com-com.nsf/vwapj/report\\_oncreative\\_economy.pdf/\\$file/report\\_oncreative\\_economy.pdf](https://www.ic.gc.ca/eic/site/com-com.nsf/vwapj/report_oncreative_economy.pdf/$file/report_oncreative_economy.pdf)

This study explores the views of the creative economy by drawing on focus groups and interviews with key informants, including academics, community organizers, and cultural entrepreneurs. It goes through a few different definitions of creative economy, the central idea being that creative people grow and develop the economy, generating income, creating jobs, and exporting earnings. Creative people are drawn to places that are diverse, tolerant, and open to new ideas (such as Montreal).

The objectives of the paper are: 1) to develop an understanding of the creative economy, and 2) to explore how the creative economy approach can contribute to the socio-economic development of the arts, culture, and heritage sectors of the English-speaking communities of Québec (ESCQ).

Key issue 1: The linguistic-culture barrier (page 20)

Key issue 2: Cultural diversity: the case of two ESCQ newcomer groups (page 21)

Key issue 3: The funding mechanism (page 23)

Key issue 4: Socio-economic development (page 24)

## **Where Do the Anglos Work?**

2010

A review of statistics for employment and training in the English-speaking communities of Québec  
Local Employability Access Program at 3ci

<https://carleton.ca/3ci/>

The primary purpose of the “Asset Map of Employability & Entrepreneurial Development Resources for English-speaking communities in Québec” is to identify and cross-reference employability and entrepreneurial development within Québec’s English-speaking Communities.

Of interest to this review is the fact that is that Anglophones hold consistently higher levels of self-employment than their Francophone counterparts (Census 2006). In all regions but three, self-employment levels were the same or higher than that of the Francophone majority. In the province of Québec, Anglophones are 2.0% more likely to be self-employed, with one out of eight Anglophones in the workforce being self-employed, compared to one out of ten Francophones; in the Eastern Townships and Lanaudière, nearly one in six Anglophones are self-employed, and on the Magdalen Islands, one in five.

Notwithstanding the increase in self-employment amongst Anglophones, their levels have only just exceeded the Canadian average (11.8%). Québec’s overall average rate of self-employment (8.2%) is the third lowest in the country, just above PEI and Nunavut (6.4% and 7.0% respectively) and is half that of Alberta, which is the Canadian leader at 16.1%. Given that small businesses (which include the self-employed) have become a major contributor to local economic development and employment across

Canada in recent decades, it would be beneficial for Québec policy and program developers to more completely evaluate the trend to self-employment in the English-speaking communities.

### 8.3 ARTS

#### **Strengthening Canadian content creation, discovery, and export in a digital world**

2016

<http://canada.pch.gc.ca/eng/1460743584304/1461088277472>

This Government of Canada page explains how creativity is the driving force of economies and societies. In summary, succeeding in a digital world requires understanding of the 4 main drivers for change.

1. The environment is more fluid (traditional lines between creator and user, artist and audience are being blurred)
2. New players and intermediaries have emerged
3. The world is increasingly interconnected and open
4. The digital consumption of content is affecting expectations

#### **Partout, la culture: Politique québécoise de la culture**

2017

[https://www.mcc.gouv.qc.ca/fileadmin/documents/grands\\_dossiers/PolitiqueQcCulture/PartoutLaCulture.pdf](https://www.mcc.gouv.qc.ca/fileadmin/documents/grands_dossiers/PolitiqueQcCulture/PartoutLaCulture.pdf)

Amongst a number of general recommendations to support and develop Québec culture, this policy includes an orientation to build on culture and communications for the economic development of the province, including supporting artists as well as cultural enterprises and organizations in their efforts to become more present on international markets, and to increase the capacity of actors in arts and culture increase their level of digital skills. The policy notes that in an economy based on knowledge, innovation, and creativity, it is clear that culture and communications are important levers for economic and social development. The benefits come in many forms: from job creation, to rural and urban revitalization, to social integration, improved quality of life, tourist appeal and international influence. The document notes that this contribution is already important, with 2014 estimates for the culture and communications industries producing the equivalent of \$ 14.5 billion in value added for the Québec economy, or 4.3% of gross domestic product (GDP). In the same year, the sector generated nearly 176,000 jobs, or 4.4% of jobs in Québec.

#### **Culture et les communications: une grande industrie à part entière**

2011

<http://affaires.lapresse.ca/economie/Québec/201102/02/01-4366086-culture-et-les-communications-une-grande-industrie-a-part-entiere.php>

This short La Presse article breaks down prejudices surrounding the economy of culture and communications, explaining that it is a much bigger and successful industry than people think.

### **L'exportation culturelle, nouveau Tremplin des gens affaires**

2012

<http://www.lesaffaires.com/classements/les-500/l-exportation-culturelle-nouveau-tremplin-des-gens-d-affaires/545051/2>

This short article on the impossibility of placing a numeric value on the cultural exports of Québec. Cultural exports break down stereotypes while creating a brand for our society.

## **8.4 QUÉBEC STATISTICS & DOCUMENTS**

### **A Policy Framework for Economic Development and Employability for the English-speaking communities of Québec**

2008

<http://qcggn.ca/2008371394148634731-html/>

This report is a scan of the economic development sector as it pertains to the English-speaking communities of Québec. It is a synthesis of information garnered by the authors in terms of the challenges that are currently before the community and some of the actions that can be taken in order to further support its development and enhanced vitality. It notes that limited access to information and services in English is a barrier to economic development and offers a series of recommendations for improvements in both areas.

### **Regional Development of English-Language Entrepreneurial Services**

YES

2012

YES is a non-profit charity that provides English language employability and entrepreneurship services in Québec, principally on the Island of Montreal. The areas of services offered are job search, entrepreneurship, mentorship, and artists' programs. In response to requests from the organizations in the regions outside of Montreal for similar services, YES began to develop support and delivery mechanisms that respond to the unique needs of the regions within a context of building economic viability. This report covers the results of the work carried out in 2011-12 looking at the feasibility of offering YES-type services in the regions, as well as the planning and development activities that should be carried out to support broader economic development amongst English-speaking communities in Québec. Of a general nature, and supported by the survey results and literature reviewed, it can be stated that:

- Entrepreneurship is generally regarded as an essential component to economic development, and therefore vital to the sustainability of communities;
- Entrepreneurship in Québec lags well behind other regions of Canada, particularly the West;
- English-speaking Quebecers have a higher level of entrepreneurship than their Francophone counterparts;
- Services and support for entrepreneurs, employability and social enterprise can make a big difference in success rates.



Therefore, the enhanced provision of services and support for entrepreneurs in regional English-speaking communities could further enhance the level of entrepreneurship and, as a corollary, contribute to the economic development and sustainability of these communities, as well as the overall economic well-being of Québec and the majority language community.

### **The internationalization of Québec SMEs**

2014

<https://www.desjardins.com/ressources/pdf/pv141016e.pdf>

For quite some time, it has been said that Québec businesses that want to expand must consider international markets due to the modest potential for demographic and economic growth in Québec. However, Québec firms have seen erosion in their share of foreign markets with the total number of firms exporting abroad being diminished. Yet, it is necessary to venture abroad, even though this represents a major challenge for small and medium enterprises (SMEs) due to the limited resources at their disposal. This analysis focuses on the internationalization of SMEs, which represents 99% of Québec businesses.

The results of surveys conducted by the Fondation de l'entrepreneurship support this assertion. They generally indicate that the percentage of Québec entrepreneurs who are engaged in international activities is lower than that of entrepreneurs in the rest of Canada. Moreover, the percentage of prospective entrepreneurs who intend to export is lower in Québec than in the other Canadian provinces.

#### List of obstacles to the international engagement of businesses

- Finding the necessary funding
- Identifying business opportunities
- Determining the appropriate strategy (direct or indirect exports, direct investment abroad, etc.)
- Tracking down business partners
- Finding information on foreign markets
- Verifying the reliability of partners, suppliers, and potential buyers
- Developing expertise for managing international operations (or hiring experts)
- Finding the time to manage international operations (or hiring staff to do it)
- Following bureaucratic and regulatory procedures
- Adapting the firm's products and services to the needs or tastes of foreign consumers
- Adapting to the business culture of foreign countries
- Managing new risks linked to exchange rates, and to the laws and policies of foreign countries
- Protecting the firm's intellectual property
- Reorganizing the firm according to its new activities abroad

#### Obstacles to internationalization

Firms that venture into international markets must take on new challenges. These include managing risks linked to exchange rate fluctuations, adapting their products and services to the tastes and consumption habits of foreign customers, respecting cultural differences, and adjusting to the regulatory and tax frameworks of the countries where they choose to do business. This also requires adjustments to the management and organization of the firm. The ranking of the obstacles varies according to several factors, including the size of the firm, the nature of the good or service being exported, and the geographic location of the target foreign country. Other obstacles to

internationalization are of a different nature, such as the firm owner's attitude towards risk, or the desire to control the firm's growth in order to keep it small and easy to manage. Lastly, the barriers may be based on perceptions rather than on reality; for example, some entrepreneurs may have the false impression that there is no international demand for their product.

Furthermore, some very interesting facts have been brought to light about new international enterprises (NIEs), i.e. those that have recorded significant export revenues during their first three years of existence. First of all, NIEs operate in all industries, not only manufacturing, technology, and knowledge. Even though they are smaller, and their owners and employees are younger, and they have fewer assets, NIEs achieve a volume of exports that is comparable to that of established exporters. In addition, NIEs are more likely to be owned by recent immigrants, compared with new enterprises that do not export. Lastly, they demonstrate levels of innovation that surpass those of established exporting firms.

#### Support Programs

Numerous programs exist to support SMEs that wish to venture into international markets. A study on support for internationalization for Québec SMEs compiled a list of the organizations providing such support, along with the services they offer. The main finding of the study is that the SMEs are not familiar with the support programs that are available to them, and, more importantly, those that are appropriate for them.

#### **For a more entrepreneurial and prosperous Québec**

2014

<http://www.desjardins.com/ressources/pdf/de2014s-e.pdf>

This summary provides an overview of the contents of a more than 100-page study.

Part one covers a portrait of Québec business which notes that nearly all of Québec's businesses are small and medium-sized enterprises (SMEs) and just over half are micro-businesses. Although few in number, large firms are by far the largest employers. The vast majority of Québec businesses are privately held and based on the traditional capitalist model; however, other models, especially cooperatives, have a strong presence, too.

Part two lists a host of challenges which includes standards such as stimulating entrepreneurship, fostering succession, and nurturing business growth. There is also a section on foreign competition and developing new markets. The report notes that the recent industrialization of many countries has transformed the context for international trade. Québec businesses thus face a twin challenge: tackling the intensified competition from abroad and capitalizing on the huge potential created by emerging markets. To succeed, they must internationalize further.

Many programs exist to support internationalization; however, more must be done to reach out to business, programs must be easier to access, and they must focus on a broad array of international activities. Moreover, to break into emerging markets, Québec enterprises have to learn all they can about how business is done there and establish contacts. Some organizations lead trade missions that are very useful in this area. Lastly, businesses would certainly benefit from a national strategy aimed at expanding Canada's presence abroad and achieving a better balance in terms of access to markets.

## **Stratégie québécoise de l'exportation 2016-2020**

2016

[www.economie.gouv.qc.ca/OserExporter](http://www.economie.gouv.qc.ca/OserExporter)

The Québec Export Strategy 2016-2020 reinforces the synergies and is a complement to other existing categories of products or services which include aircraft, aluminum, ores and metals, wood, pulp and paper, tourism, and electricity. The strategy aims to:

- Develop a business strategy for outside of Québec
- Develop marketing skills in foreign markets
- Acquire strategic information
- Obtain the necessary foreign certifications
- Use e-commerce as a strategy for penetrating external markets
- Easier access to government export support services
- Demonstrate innovative products for foreign markets
- Find the right business partners and integrate Québec's strategic supply chains
- Provide the financial means to market products on foreign markets

## **Plan d'action gouvernemental en économie sociale 2015-2020**

2015

<http://www.economie.gouv.qc.ca/economiesociale>

The 2015-2020 Government Social Economy Action Plan aims to give social enterprises new impetus so that they can contribute even more to economic growth. In relation to international trade, the action plan aims:

- To equip social economy enterprises at all stages of their development by providing them with the tools they need to realize their full potential, from start-up to expansion.
  - Program promoting the capitalization of social economy enterprises: \$ 30 million
  - Collective Entrepreneurship Capital Program: \$ 20 Million
  - Cooperative Development Partnership Agreement: \$ 20.2 million
  - Support and capitalization of the Québec Social Investment Network: \$ 10 million

## **Trade between Québec and the United States**

2017

<https://www.desjardins.com/ressources/pdf/per0117e.pdf>

20% of Québec's GDP depends on exports to the United States. Our American neighbour buys over 70% of Québec's international exports, so we feel a shiver down our collective spine when we hear talk about renegotiating the North American Free Trade Agreement (NAFTA). But a portion of this bilateral trade consists of movements of goods between plants of a given company that has operations on both sides of the border, so questions need to be asked about the feasibility of replacing all the Québec products that are used as input for goods "Made in the USA".

There is at least one other aspect to consider: American firms' awareness of our products. If we want to sell to the United States, we need to be seen and recognized. This is a factor that we can act upon. Actions in that direction have been taken in the past and, more recently, in October 2016, the MESI launched a new export strategy for 2016–2020. Over half a billion dollars will be invested to implement it. It will comprise 21 action items to conquer foreign markets, including the United States. These action items involve business strategy, expertise, foreign certification, use of e-commerce, supply chain integration and the showcasing of innovative products from Québec firms. These efforts are combined with those of numerous federal agencies aimed at promoting Canadian exports and know-how abroad.

### **Invest in Québec**

2016

[http://www.international.gc.ca/investors-investisseurs/cities-villes/qc/Québec\\_prov.aspx?lang=eng](http://www.international.gc.ca/investors-investisseurs/cities-villes/qc/Québec_prov.aspx?lang=eng)

A strategic location between Europe and the Americas, Québec offers an abundance and variety of natural resources, highly skilled, multilingual workers, a vibrant cultural community and an exceptionally high quality of life. Add to these advantages Québec's steadfast commitment to R&D, and you have one of the country's most innovative economies, with high technology industries and 'green' energy increasing prosperity in the 21st century.

#### **Business Environment**

- GDP of CDN \$301 billion in 2008, 60% generated by the service sector
- GDP per person 18th in the OECD, comparable to Germany and Italy, surpassing Spain
- Tax rates on business profits among the lowest in North America
- Tax incentives and labour force assistance and training programs (\$2.5 billion annually)
- Exports account for 33% of GDP, with 72% of international exports shipped to the US
- Access to NAFTA market of over 440 million consumers
- A market of 110 million consumers within a 1000 km radius
- Within a 600-mile radius of Boston, New York, Washington, and Detroit
- #1 exporter of newsprint, 2nd largest magnesium producer and 4th largest aluminum producer in the world
- The St. Lawrence Seaway offers easy access to the industrial heart of North America

### **Québec Export Stats**

2017

[http://www.stat.gouv.qc.ca/statistiques/economie/commerce-exterieur/commerce-international-marchandises\\_an.html](http://www.stat.gouv.qc.ca/statistiques/economie/commerce-exterieur/commerce-international-marchandises_an.html)

This report is a quarterly review of Québec's export results.

## 8.5 PROGRAMS

### Commerce International Côte-Nord

2017

<http://cicotenord.ca/tools/key-challenges-faced-by-smes-exporting-to-international-markets/?lang=en#1458765463297-57ea896c-8e85>

Key challenges that are faced by SMEs exporting to international markets, many of which Commerce International Côte-Nord offers help with:

- Identifying international business opportunities, locating, and analyzing suitable markets: Due to a lack of time, competency, material, human and financial resources available.
- Establishing contact with potential foreign customers: lack of knowledge on the best way to enter the market or how to maximize returns.
- Securing reliable foreign representation: it is difficult to recruit foreign representation and manage them at a distance. This requires additional time and capabilities.
- Accessing financing for the purpose of internationalization: lenders have a perception of higher risk factors based on concerns about exchange rate volatility, differing regulatory environments in the target market, perceived cultural difficulties and in some cases, political risks.
- Allocating managerial time to advance internationalization: The daily struggle to maintain the viability of the business often relegates to a lower level of priority any forward-thinking about new opportunities.
- Recruiting specialized staff to assist with the management of international markets: For these operations to be successful, it takes technical, legal, marketing, e-commerce and supply chain management expertise that is top notch.
- Meeting the costs of accessing markets: cost of relocating staff and getting the products to market.
- Challenges assessing or locating government support: when they do locate support, it might seem too complex and time consuming to bother.

### The Forum for International Trade Training (FITT)

2017

<https://fittfortrade.com/>

FITT is a not-for-profit organization dedicated to providing international business training, resources and professional certification to individuals and businesses. They offer the only international business training programs and related professional designation (CITP® | FIBP®) endorsed by the World Trade Centers Association and the Canadian government.

- Online Courses: Grow your export-import business, knowledge, and credibility with the globally recognized FITTskills online international trade course series.
- Instructor-Led Courses: Educational institutions across Canada and internationally have allied with FITT to deliver our industry-validated FITTskills international business courses and program in traditional in-class learning environments.
- Customized International Business Training: FITT has been trusted for over a decade to create customized international business training programs for industry leaders in global trade. And now

we can use our proven approach to curriculum development to meet the specific needs of your company or organization.

- Workshops: Trying to decide whether international business is for you or your company? Our workshops are an excellent introduction to the industry, so you can make your decision with confidence.

2017

<https://fittfortrade.com/your-future-2017/>

FITT organized an international business conference entitled “Your Future in Global Markets”, held in Ottawa on October 2, 2017. Major themes that were presented were:

- The digital economy and how this will affect trade
  - E-commerce, 9.8 million merchants made at least 1 cross-border sale and 106 million consumers made at least 1 cross-border purchase using PayPal.
  - SMEs partnering with “bigger companies to acquire supply chain access”.
  - Small-scale trade is becoming easier.
  - E-commerce has seen 41% growth rate in 2 years.
  - B2C will triple in next 5 years to \$424B online.
  - Buyers are younger, risk-free, better educated.
  - 83% of Canadian SMEs are not set up to take payment online.
  - New from Google: Marketfinder.thinkwithgoogle.com recommends the best markets for your business and helps create a global business plan using detailed market insights.
- Trade agreements
  - European free trade, NAFTA (negotiations) plus many others.
  - The development of products requiring “Import & Export” which affects “country of origin” in trade agreements.
- International Trade Organizations
  - EDC: Rating of countries
  - World Trade Organization
  - Transparency International
- Issues
  - Understanding risk from relationship building, currency, politics, to intellectual property
  - The importance of currency
  - The pace of trade development is slow
  - Sustainability issues
  - Stakeholder buy-in
  - Requires upfront and long-term financial cost to enter a market
  - Trade or legal framework
  - Low cost to test foreign market interest
  - Develop a market
  - Ability to change language and marketing strategies quickly
- Logistics
  - Third party logistic companies such as Canada Post, DHL express
  - Use of other platforms such as E-Bay, Amazon, Alibaba

Possible recommendations for Government:

- Possible wage subsidy for an internal person to work on international trade.
- Support investment in “progressive trade” to include Official Language Minority Communities as well as youth, women, Aboriginals, and newcomers.
- Strengthen the links between government, support organizations and businesses (high touch approach).
- Stronger local business support to enhance skills such as market development, financing, digitalization, business analysis, legal and human resources.
- Government to buy (procurement) from local companies to build “brand and trust” with international suppliers.
- Maintain and strengthen Canada brand of quality services & products.

## EXPORT DEVELOPMENT RESOURCE GUIDE FOR CANADIAN BUSINESSES

### OVERVIEW - STEP-BY-STEP GUIDES

ORGANIZATION	ADDRESS/PHONE/CONTACT	LINK
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/exporters-exportateurs/guide-exporting-guide-exportation.aspx?lang=eng">http://tradecommissioner.gc.ca/exporters-exportateurs/guide-exporting-guide-exportation.aspx?lang=eng</a>
Business Deveopment Canada	5 Place Ville Marie, Suite 300Montreal, Québec H3B 5E7 1-888-463-6232	<a href="https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/3-essential-steps-smes.aspx?type=B&amp;order=1&amp;intlnk=rightbox">https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/3-essential-steps-smes.aspx?type=B&amp;order=1&amp;intlnk=rightbox</a>
Business Deveopment Canada	5 Place Ville Marie, Suite 300 Montreal, Québec H3B 5E7 1-888-463-6232	<a href="https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/exporting-services.aspx?type=C&amp;order=2&amp;intlnk=rightbox">https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/exporting-services.aspx?type=C&amp;order=2&amp;intlnk=rightbox</a>
Business Deveopment Canada	5 Place Ville Marie, Suite 300Montreal, QuébecH3B 5E7 1-888-463-6232	<a href="https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/default.aspx#step-7">https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/default.aspx#step-7</a>
Canadian Border Services Agency	1-800-461-9999	<a href="http://cbsa-asfc.gc.ca/export/checklist-controle-eng.html">http://cbsa-asfc.gc.ca/export/checklist-controle-eng.html</a>
Canadian Border Services Agency	1-800-461-9999	<a href="http://cbsa-asfc.gc.ca/multimedia/trf6/menu-eng.html">http://cbsa-asfc.gc.ca/multimedia/trf6/menu-eng.html</a>
Canadian Border Services Agency	1-800-461-9999	<a href="http://www.cbsa-asfc.gc.ca/export/guide-eng.html">http://www.cbsa-asfc.gc.ca/export/guide-eng.html</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/businesswomen-femmesaffaires/quiz.aspx?lang=eng#inline_content">http://tradecommissioner.gc.ca/businesswomen-femmesaffaires/quiz.aspx?lang=eng#inline_content</a>



**GENERAL / MISC**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/canadexport/ask-demande.aspx?lang=eng">http://tradecommissioner.gc.ca/canadexport/ask-demande.aspx?lang=eng</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/canadexport/index.aspx?lang=eng">http://tradecommissioner.gc.ca/canadexport/index.aspx?lang=eng</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/businesswomen-femmesaffaires/index.aspx?lang=eng">http://tradecommissioner.gc.ca/businesswomen-femmesaffaires/index.aspx?lang=eng</a>
Milgram	Milgram & Company Ltd. 400 - 645 Wellington, Montreal, Québec, Canada H3C 0L1, Tel: 514-288-2161	<a href="https://www.milgram.com/ignitionweb/data/ddm/701/Export_Guide.pdf">https://www.milgram.com/ignitionweb/data/ddm/701/Export_Guide.pdf</a>
Export Development Canada	800 Victoria Square, Suite 4520, PO Box 124, Tour de la Bourse, Montreal, QC H4Z 1A1, Phone: (514) 876-7100	<a href="https://edc.trade/wp-content/uploads/2016/09/discover-new-markets-epub.pdf">https://edc.trade/wp-content/uploads/2016/09/discover-new-markets-epub.pdf</a>
Export Canada	1 (514) 609-7711	<a href="http://www.exportcanada.com/">http://www.exportcanada.com/</a>
Chamber of Commerce of Montreal	380 St. Antoine Street West, Suite 6000, Montreal (Québec) H2Y 3X7 Tel: 514 871-4000	<a href="http://www.ccm.ca/en/">http://www.ccm.ca/en/</a>

**CANADA - USA**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/exporting-to-united-states-exporter-aux-etats-unis.aspx?lang=eng">http://tradecommissioner.gc.ca/exporting-to-united-states-exporter-aux-etats-unis.aspx?lang=eng</a>
NAFTA Secretariat	Canadian Secretary, NAFTA Secretariat, Canadian Section (TCT), 111 Sussex Drive, 5th Floor, Ottawa, ON Canada, K1A 0G2, Telephone: 343-203-4269, <a href="mailto:canada@nafta-sec-alena.org">canada@nafta-sec-alena.org</a>	<a href="https://www.nafta-sec-alena.org/Home/Welcome">https://www.nafta-sec-alena.org/Home/Welcome</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/world-monde/141452.aspx?lang=eng">http://tradecommissioner.gc.ca/world-monde/141452.aspx?lang=eng</a>
Government of Canada (Canada Business Ontario)	Canada Business Ontario 151 Yonge St. 4th floor mailroom Toronto, ON M5C 2W7	<a href="http://www.cbo-eco.ca/en/index.cfm/growing/exporting-and-importing/exporting-to-the-united-states/">http://www.cbo-eco.ca/en/index.cfm/growing/exporting-and-importing/exporting-to-the-united-states/</a>

**FINANCING**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/world-monde/141453.aspx?lang=eng">http://tradecommissioner.gc.ca/world-monde/141453.aspx?lang=eng</a>
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-financing/">https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-financing/</a>
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-marketing-sales-and-logistics/getting-paid-understanding-export-transactions/">https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-marketing-sales-and-logistics/getting-paid-understanding-export-transactions/</a>
Forum for International Trade Training	<a href="mailto:marketing@fitt.ca">marketing@fitt.ca</a>	<a href="http://www.tradeready.ca/2017/topics/researchdevelopment/use-export-costing-sheet-track-spending-keep-business-profitable/">http://www.tradeready.ca/2017/topics/researchdevelopment/use-export-costing-sheet-track-spending-keep-business-profitable/</a>
Mentor Works Ltd.	28 Bett Court, Unit B, Guelph, ON, N3C 3Y9	<a href="https://www.mentorworks.ca/what-we-offer/government-funding/business-expansion/canexport/">https://www.mentorworks.ca/what-we-offer/government-funding/business-expansion/canexport/</a>

**CANADA - OVERSEAS (EXCL USA)**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/world-monde/133335.aspx?lang=eng">http://tradecommissioner.gc.ca/world-monde/133335.aspx?lang=eng</a>
Global Affairs Canada	Global Affairs Canada, Authentication Services Section 125 Sussex Drive, Ottawa, Ontario, Canada K1A 0G2	<a href="http://www.international.gc.ca/international/index.aspx?lang=eng">http://www.international.gc.ca/international/index.aspx?lang=eng</a>
Montreal Council on Foreign Relations	1550 Metcalfe Street, Suite 1424, Montreal, (Québec) H3A 1X6 Canada	<a href="https://www.corim.qc.ca/en/44/Canadian_and_Québec_Foreign_Policy">https://www.corim.qc.ca/en/44/Canadian_and_Québec_Foreign_Policy</a>
Montreal Council on Foreign Relations	1550 Metcalfe Street, Suite 1424, Montreal, (Québec) H3A 1X6 Canada	<a href="https://www.corim.qc.ca/en/43/International_Trade_and_Transnational_Corporations">https://www.corim.qc.ca/en/43/International_Trade_and_Transnational_Corporations</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/european-union-europeenne/market-facts-faits-sur-le-marche/0000256.aspx?lang=eng">http://tradecommissioner.gc.ca/european-union-europeenne/market-facts-faits-sur-le-marche/0000256.aspx?lang=eng</a>
Office jeunesse internationaux du Québec	934, Ste-Catherine Est, Montréal (Québec) H2L 2E9 Tel: (514) 873-4255	<a href="https://www.lojiq.org">https://www.lojiq.org</a>
Transparency international	Alt-Moabit 96 10559 Berlin Germany +49 30 3438 200	<a href="https://www.transparency.org">https://www.transparency.org</a>

<b>BROKERAGE</b>		
<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Border Services Agency	1-800-461-9999	<a href="http://www.cbsa-asfc.gc.ca/services/cb-cd/cb-cd-eng.html">http://www.cbsa-asfc.gc.ca/services/cb-cd/cb-cd-eng.html</a>
Farrow	2001 Huron Church Road, Windsor, ON, N9C 2L6 (519) 252-4415	<a href="http://www.farrow.com/article-what-is-customs-brokerage">http://www.farrow.com/article-what-is-customs-brokerage</a>
<b>INSURANCE</b>		
<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Export Development Canada	800 Victoria Square, Suite 4520, PO Box 124, Tour de la Bourse, Montreal, QC H4Z 1A1, Phone: (514) 876-7100	<a href="http://www.edc.ca/EN/Our-Solutions/Insurance/Credit-Insurance/Pages/comprehensive-credit-insurance-accounts-receivable-insurance.aspx?kw=exporting_insurance&amp;gclid=EAIaIQobChMI6pSys8eM1wIVC41pCh1C1QDxEAAAYAAEgKy0vD BwE">http://www.edc.ca/EN/Our-Solutions/Insurance/Credit-Insurance/Pages/comprehensive-credit-insurance-accounts-receivable-insurance.aspx?kw=exporting_insurance&amp;gclid=EAIaIQobChMI6pSys8eM1wIVC41pCh1C1QDxEAAAYAAEgKy0vD BwE</a>
Fitt for trade	800 Victoria Square, Suite 4520, PO Box 124, Tour de la Bourse, Montreal, QC H4Z 1A1, Phone: (514) 876-7100	<a href="https://edc.trade/wp-content/uploads/2016/09/to-insure-or-not.pdf">https://edc.trade/wp-content/uploads/2016/09/to-insure-or-not.pdf</a>

**CUSTOMS/DUTIES/BORDERS**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Border Services Agency	1-800-461-9999	<a href="http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html">http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html</a>
Global Affairs Canada	Global Affairs Canada, Authentication Services Section 125 Sussex Drive, Ottawa, Ontario, Canada K1A 0G2	<a href="http://www.international.gc.ca/trade-commerce/tariff-tarifaire/index.aspx?lang=eng&amp;_ga=2.226832669.1836142207.1508953402-677426822.1502198331">http://www.international.gc.ca/trade-commerce/tariff-tarifaire/index.aspx?lang=eng&amp;_ga=2.226832669.1836142207.1508953402-677426822.1502198331</a>
Justice Laws - Gov of Canada	Department of Justice Canada, 284 Wellington Street Ottawa, Ontario, K1A 0H8	<a href="http://laws-lois.justice.gc.ca/eng/acts/C-52.6/">http://laws-lois.justice.gc.ca/eng/acts/C-52.6/</a>
Global Affairs Canada	Global Affairs Canada, Authentication Services Section 125 Sussex Drive, Ottawa, Ontario, Canada K1A 0G2	<a href="http://www.international.gc.ca/controls-controles/index.aspx?lang=eng">http://www.international.gc.ca/controls-controles/index.aspx?lang=eng</a>
Global Affairs Canada	Global Affairs Canada, Authentication Services Section 125 Sussex Drive, Ottawa, Ontario, Canada K1A 0G2	<a href="http://www.international.gc.ca/trade-commerce/tariff-tarifaire/index.aspx?lang=eng&amp;_ga=2.230106140.1808426301.1511539874-677426822.1502198331">http://www.international.gc.ca/trade-commerce/tariff-tarifaire/index.aspx?lang=eng&amp;_ga=2.230106140.1808426301.1511539874-677426822.1502198331</a>

**SHIPPING - CONTAINERS, LTL, PACKAGING**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/world-monde/141457.aspx?lang=eng">http://tradecommissioner.gc.ca/world-monde/141457.aspx?lang=eng</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888-306-9991	<a href="http://tradecommissioner.gc.ca/world-monde/141458.aspx?lang=eng">http://tradecommissioner.gc.ca/world-monde/141458.aspx?lang=eng</a>
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-marketing-sales-and-logistics/getting-your-goods-or-services-to-international-markets/">https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-marketing-sales-and-logistics/getting-your-goods-or-services-to-international-markets/</a>

**FOREIGN EXCHANGE**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Business Deveopment Canada	5 Place Ville Marie, Suite 300 Montreal, Québec H3B 5E7 1-888-463-6232	<a href="https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/coping-with-strong-canadian-dollar.aspx">https://www.bdc.ca/en/articles-tools/marketing-sales-export/exportation/pages/coping-with-strong-canadian-dollar.aspx</a>
Export Development Canada	800 Victoria Square, Suite 4520, PO Box 124, Tour de la Bourse, Montreal, QC H4Z 1A1, Phone: (514) 876-7100	<a href="https://www.edc.ca/EN/Promotions/Documents/fx-guide.pdf">https://www.edc.ca/EN/Promotions/Documents/fx-guide.pdf</a>

**MARKET RESEARCH / INTELLIGENCE / CULTURE**

<b>ORGANIZATION</b>	<b>ADDRESS/PHONE/CONTACT</b>	<b>LINK</b>
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-market-research/">https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-market-research/</a>
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-market-research/international-market-research/">https://canadabusiness.ca/growing/exporting-and-importing/exporting/export-market-research/international-market-research/</a>
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/business-planning/market-research-and-statistics/conducting-market-research/guide-to-market-research-and-analysis/?it=eng/page/2691/">https://canadabusiness.ca/business-planning/market-research-and-statistics/conducting-market-research/guide-to-market-research-and-analysis/?it=eng/page/2691/</a>
Forum for International Trade Training	marketing@fitt.ca	<a href="http://www.tradeready.ca/2014/fittskills-refresher/ten-tips-creating-stronger-global-trade-relationships-cultural-considerations/">http://www.tradeready.ca/2014/fittskills-refresher/ten-tips-creating-stronger-global-trade-relationships-cultural-considerations/</a>
Desjardins	514-CAISSES (514-224-7737)	<a href="https://www.desjardins.com/ca/co-opme/business/tip-sheets/determining-target-export-market/index.jsp">https://www.desjardins.com/ca/co-opme/business/tip-sheets/determining-target-export-market/index.jsp</a>
Desjardins	514-CAISSES (514-224-7737)	<a href="https://www.desjardins.com/ca/co-opme/business/tip-sheets/cultural-barriers-business-abroad/index.jsp">https://www.desjardins.com/ca/co-opme/business/tip-sheets/cultural-barriers-business-abroad/index.jsp</a>
Desjardins	514-CAISSES (514-224-7737)	<a href="https://www.desjardins.com/ca/co-opme/business/tip-sheets/do-you-have-export-marketing-plan/index.jsp">https://www.desjardins.com/ca/co-opme/business/tip-sheets/do-you-have-export-marketing-plan/index.jsp</a>



## INTELLECTUAL PROPERTY

ORGANIZATION	ADDRESS/PHONE/CONTACT	LINK
Canada Business	380 St-Antoine Street West, Suite W204 (Mezzanine Level), Montreal, Québec H2Y 3X7, 514-496-4636	<a href="https://canadabusiness.ca/government/copyright-and-intellectual-property/protecting-your-intellectual-property-in-export-markets/?it=eng/page/2680/">https://canadabusiness.ca/government/copyright-and-intellectual-property/protecting-your-intellectual-property-in-export-markets/?it=eng/page/2680/</a>
World Intellectual Property Organization	World Intellectual Property Organization, 34, chemin des Colombettes, CH-1211 Geneva 20, Switzerland	<a href="http://www.wipo.int/sme/en/">http://www.wipo.int/sme/en/</a>
Government of Canada	50 Rue Victoria C-229, Gatineau, QC K1A 0C9 ic.contact-contact.ic@canada.ca	<a href="http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03073.html">http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03073.html</a>

## WOMEN IN INTERNATIONAL TRADE

ORGANIZATION	ADDRESS/PHONE/CONTACT	LINK
Organization of Women in International Trade	OWIT International c/o 1110 Vermont Avenue, N.W., Suite 715 Washington DC, 20005 USA	<a href="http://owit.org/">http://owit.org/</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888- 306-9991	<a href="http://tradecommissioner.gc.ca/businesswomen-femmesdaffaires/index.aspx?lang=eng">http://tradecommissioner.gc.ca/businesswomen-femmesdaffaires/index.aspx?lang=eng</a>
Canadian Trade Commissioner	Place Bonaventure, South-West Entrance, 800 de la Gauchetiere Street West, 8th Floor, Suite 8750, H5A 1K6 1-888- 306-9991	<a href="http://tradecommissioner.gc.ca/businesswomen-femmesdaffaires/quiz.aspx?lang=eng#inline_content">http://tradecommissioner.gc.ca/businesswomen-femmesdaffaires/quiz.aspx?lang=eng#inline_content</a>
WE Connect International (Canada)	Chelsea Prescod, cprescod@weconnectinternational.org	<a href="https://weconnectinternational.org/en/network/north-america/canada">https://weconnectinternational.org/en/network/north-america/canada</a>
WBE Canada	401 Bay Street, Suite 1600 Toronto Ontario, Canada , M5H 2Y4, 416.646.6233	<a href="http://www.wbecanada.org/about-us">http://www.wbecanada.org/about-us</a>

## 8.7 INTERVIEW GUIDE

### Youth Employment Services

“English Speaking SME’s: Accessing New Markets”

#### INTERVIEW GUIDE

##### BACKGROUND

Since 1995, YES has helped entrepreneurs in the English-speaking community launch or grow their businesses in Quebec. English-speaking entrepreneurs represent an important opportunity in terms of economic development in Quebec and Canada, however, they continue to face barriers to accessing new markets that would otherwise strengthen their long-term sustainability, growth, and competitiveness.

YES, has identified a lack of research into the expansion of entrepreneurship in Quebec via international trade specifically through an official-language minority community (OLMC) lens. While Québec SMEs face unique barriers to internationalization (CED, 2012), the realities faced by SMEs in the English-speaking community of Québec have yet to be studied.

In this context, Qu’anglo has been contracted to assist YES in better understanding this important segment of the Québec economy through consultation and the identification of tools, services, and resources to enhance English-speaking SMEs’ abilities to engage in import and export activities.

##### INTERVIEWS

As someone who has experience and knowledge to share on this topic, your input and insights are valued and will be greatly appreciated. This telephone interview with a senior researcher from Qu’anglo Communications & Consulting will take approximately 30 minutes. These interviews are being conducted in the strictest confidence, we will not attribute comments to individuals or to a specific business unless the respondent feels it is important to the research outcome.

## QUESTIONS

### Identification

Name

Position

Company/Organization/Agency

What is your background/experience/involvement regarding international trade for SMEs in Quebec?

*Clarification: international trade includes exports and imports*

### International Trade

What are the opportunities in international trade for SMEs in Québec?

What has changed to make international trade easier?

*Prompt: Treaties, logistics, political watch dogs, etc.*

What are the common pitfalls for SMEs?

What do SMEs need to do to stay competitive in this Global economy?

What elements of trade are the highest risk for SMEs?

Where should SME's spend more time planning to mitigate risk to increase success in international trade?

Can you elaborate on any best practises that might assist SME's in Quebec to grow their business through international trade?

*Prompt: For example, technical advisors, coaching, specialized consultants, workshops . . .*

### Capacity of English-speaking SMEs

What challenges do Quebec based SMEs working in English face when trying to capitalize on the opportunities presented by international trade?

Do you think there are any service gaps in the capacity of SME's in Quebec to seize opportunities in international trade?

If so, how could these gaps be addressed?

Can you suggest ways to improve the transfer of information to and between English-speaking SME's in Quebec that would assist these businesses in acquiring opportunities in international trade?

*Prompt: for example, workshops, specialized advisors, websites . . .*

## **Support**

What kinds of support would be useful to assist SMEs in Québec to build their capacity to develop their business ideas as well as grow existing business.

*Prompt: For example . . .*

Tools (i.e. webkits, guides, etc.)

Resources

Services

Activities & events

Do you have examples of these kinds of support being offered by the provincial government or agencies?

Women and new immigrants often face additional barriers in relation to starting or growing a business. What additional support could be provided to these groups?

A creative economy is based on the concept that value is based on novel imaginative qualities rather than the traditional resources of land, labour, and capital. Creativity has been identified as being a driver of economic development, one that is under appreciated in Quebec. What kinds of support would be useful to encourage English-speaking entrepreneurs to start initiatives in the creative economy?

*Prompt: For example . . .*

In your view, what's the single most important thing that could be done by YES to assist English-speaking SME's in Quebec to develop their business ideas as well as grow existing business?

## **Other**

Do you have any examples or success stories of SME's in Quebec growing their business through international trade that could be used as case studies?

Is there anything else you would like to add regarding opportunities for English-speaking SME's in Quebec related to international trade?

### Youth Employment Services

“English Speaking SME’s: Accessing New Markets”

#### SURVEY QUESTIONS FOR ENTREPRENEURS

##### BACKGROUND

YES is conducting research into ways to improve support services for SMEs accessing new markets through international trade.

In this context, you are being contacted to assist YES in better understanding this important segment of the Québec economy.

The survey will take approximately 10 to 15 minutes to complete. The responses will be confidential and only presented as an aggregate along with anonymous comments where appropriate.

Your input and insights are valued and are greatly appreciated. Please click on the following secure link (insert) to respond to the survey. If you have any questions, please contact Mariana Stabile, Entrepreneurship Program Administrator, at [mstabile@yesmontreal.ca](mailto:mstabile@yesmontreal.ca)

Since 1995, YES has helped entrepreneurs in the English-speaking community launch or grow their businesses in Quebec. English-speaking entrepreneurs represent an important opportunity in terms of economic development in Quebec and Canada. This research aims to assist them to access new markets and strengthen their long-term sustainability, growth, and competitiveness.

## QUESTIONS

### Demographics:

1. What is your country of birth?
2. What is your gender?
  - a) Female
  - b) Male
  - c) Other
3. First Language(s) spoken (check one)
  - a. English
  - b. French
  - c. English and Other
  - d. French and Other
  - e. Other (please specify)
4. Knowledge of Official Languages (check one)
  - a. English only
  - b. French only
  - c. English and French
5. Are you a member of a Visible Minority?
  - a. Not a Visible Minority
  - b. Visible Minority, which group \_\_\_\_\_
6. In what region of Quebec do you currently reside? (check one)
  - a. Bas-Saint-Laurent
  - b. Saguenay-Lac-Saint-Jean
  - c. Capitale-Nationale
  - d. Mauricie
  - e. Estrie
  - f. Montréal
  - g. Outaouais
  - h. Abitibi-Témiscamingue
  - i. Côte-Nord
  - j. Gaspésie-Îles-de-la-Madeleine
  - k. Chaudière-Appalaches
  - l. Laval
  - m. Lanaudière
  - n. Laurentides
  - o. Montérégie
  - p. Centre-du-Québec

## About Your Business

7. Position (check one)
  - a. Executive
  - b. Owner
  - c. Manager
  - d. Administration
  - e. R&D
  - f. Other (please specify)
  
8. In what year was the business founded?  
(drop down list)
  
9. At what stage of development is your business? (check one)
  - a. Start-up
  - b. Expansion
  - c. Mature
  
10. What is the revenue of your business within the last 12 months? (check one)
  - a. <\$250,000
  - b. <\$500,000
  - c. <\$1 million
  - d. <\$5 million
  - e. >\$5 million
  
11. Where is your business located? (check one)
  - a. Bas-Saint-Laurent
  - b. Saguenay-Lac-Saint-Jean
  - c. Capitale-Nationale
  - d. Mauricie
  - e. Estrie
  - f. Montréal
  - g. Outaouais
  - h. Abitibi-Témiscamingue
  - i. Côte-Nord
  - j. Gaspésie-Îles-de-la-Madeleine
  - k. Chaudière-Appalaches
  - l. Laval
  - m. Lanaudière
  - n. Laurentides
  - o. Montérégie
  - p. Centre-du-Québec

12. In which of the following sectors would you primarily classify your business? (check one)

- a. Aerospace and Defence
- b. Agriculture and Agri-food
- c. Arts and Culture
- d. Business and Financial Services
- e. Cleantech
- f. Community
- g. Construction and infrastructure
- h. Consulting
- i. Energy
- j. Health and Life Sciences
- k. Manufacturing
- l. Mining and Natural resources
- m. Retail
- n. Technology and Digital Media
- o. Telecommunication and Broadcasting
- p. Tourism & Hospitality
- q. Transportation
- r. Other

13. What portion of your sales is done on-line? (check one)

- a. None
- b. <25%
- c. <50%
- d. >50%
- e. 100%

14. In what language(s) does your business primarily operate?

- a. Mostly in English
- b. Mostly in French
- c. Mostly in another language (Please specify other)
- d. English and French equally
- e. English and Other equally (Please specify other)
- f. French and Other equally (Please specify other)
- g. English, French and Other equally (Please specify other)

15. How many employees do you have? (check one)

- a. 1-5
- b. 6-10
- c. 10-50
- d. 50+



16. What is the geographic scope of your business? (select all that apply)

- a. City or town
- b. Provincial
- c. National
- d. International
- e. On-line
- f. All of the above
- g. Other (please specify)

### **International Trade**

17. Do you have previous international business experience?

- a. No
  - b. Yes
- If yes . . .

18. What is/are your area(s) of experience regarding international trade? (select all that apply)

- a. Importing
- b. Exporting
- c. Policy development
- d. Program delivery
- e. Commodities
- f. Merchandise
- g. Manufacturing
- h. Services
- i. None

19. Which countries have you conducted trade with? (select all that apply)

- a. Australia
- b. Brazil
- c. Canada
- d. China
- e. France
- f. Germany
- g. India
- h. Iran
- i. Italy
- j. Japan
- k. Mexico
- l. New Zealand
- m. Russia
- n. Spain
- o. United Kingdom
- p. United States
- q. None of the above
- r. Other (please specify)

20. When it comes to international trade business support, how much did, or do you currently receive from the following?

(very much, some, not very much, or none at all)

- a. Training programs
- b. Business association
- c. Family members
- d. Friends
- e. Previous job experience
- f. Formal education
- g. Entrepreneurship Centre
- h. Internet
- i. Federal Government (EDC, Global Affairs)
- j. Trade shows
- k. Board of Trade, Chamber of Commerce
- l. Professional associations
- m. Community organization
- n. Consultants

Please list of the type of support services, programs, or organization's that you use most frequently

(maximum of three)

\_\_\_\_\_

21. If applicable, what was the average duration that you accessed those services?

- a. A month or Less
- b. 1 to 6 months
- c. 7 to 12 months
- d. Year or more

22. How would you rate the impact these services had on your international trade endeavour? (Scale 1-5, with 1 = very useful and 5 = not at all useful)

23. Please state your level of agreement with the following statements:

- a. I would need additional support to successfully engage in international trade
- b. I feel that my first language creates a barrier for me to access all levels of support
- c. I have received sufficient support in developing my international initiative

(strongly agree, somewhat agree, somewhat disagree, strongly disagree, or don't know)

24. Please choose the top five best practices that might assist SME's in Quebec to grow their business through international trade?

(1-5)

- Online Courses to help grow export-import business
- Instructor-led courses in collaboration with various educational institutions
- Customized international business training to meet the specific needs of a company or organization
- Workshops which allow companies to decide whether international business is for them
- Mentorship programs
- One online access point for all services
- Easier access to government export support services
- Settlement services
- Provision of financial support to market products on foreign markets
- Support to obtain the necessary foreign certifications
- Assistance in building an e-commerce strategy for penetrating external markets
- Other

Comments:

### **Capacity of Quebec SMEs**

25. Please choose the top five challenges faced by SMEs in Québec when trying to capitalize on opportunities in international trade:

- Establishing contact with potential foreign customers
- Access to information about foreign distribution networks
- Securing reliable foreign representation
- Accessing financing for internationalization of trade
- Allocating managerial time to advance internationalization of trade
- Recruiting specialized staff to assist with the management of international markets
- Access to skilled labor
- Meeting the costs of accessing markets
- Adapting the firm's products and services to the needs or tastes of foreign consumers
- Challenges accessing or locating government support
- Border regulations and standards
- Protecting the firm's intellectual property
- Variable costs - such as transport, logistics, and tariffs
- Other

Comments:

26. Please choose the top five opportunities in international trade for SMEs in Québec:

- Improved trade agreements
- Multiple shipping options
- Electronic settlement services
- Niche markets
- Innovative products
- Creative economy
- E-commerce
- Favourable exchange rate
- Brand 'Canada'
- Access to financial support
- Bilingual capacity (French & English)

Comments:

27. Please choose the top five gaps in the capacity of SME's in Quebec to seize opportunities in international trade:

- Find the necessary funding for internationalizing trade
- Identifying business opportunities in foreign markets
- Determining appropriate strategy (direct or indirect exports, invest overseas, etc.)
- Support for R&D, innovation
- Finding and verifying business partners, suppliers, etc.
- Developing or hiring staff to manage international operations
- Following bureaucratic and regulatory procedures
- Managing new risks linked to exchange rates
- Reorganizing the firm according to its new activities abroad
- Acquiring an advisory committee and/or board director for international trade
- Other

Comments:

28. How could these gaps best be addressed?  
(OPEN QUESTION)

29. The transfer of information to and between SME's in Quebec has been identified as an important factor in assisting businesses to acquire opportunities in international trade. Please choose the top three options (in order of effectiveness) for the transfer of information:

- One-stop website for international trade
- Toll-free hotline
- On-site visits by agency support personnel
- Coaching (assigned specialist)
- Consultant
- Online course
- Seminars/workshops
- Overseas missions
- Other

Comments:

**Other**

30. Is there anything else you would like to add regarding opportunities for SME's in Quebec related to international trade?  
(OPEN QUESTION)