



Developing Business in Mexico - a Personal Insight

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Background: the throw-away slide

- 35-year relationship with region
- British by birth but venezuelan by marriage
- Spent more than 5 years in Latin America
- Worked out there as a local and as an expat
- Managed countries locally & the region from the UK
- Two global corporations, one large UK company
- Several UK and other SMEs

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International Corporation # 1

- Took over existing regional sales office in Mexico
- **Highly-educated, well-connected professionals**
- Successful and profitable semi-autonomous unit
- Little need for legal, commercial & logistical support
- **Survived E-bubble and Chinese invasion**
- Customers given away to partners & competitors

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International Corporation # 2

- Ran Latin America-wide operation from Europe, ...selling direct to major users.
- High levels of competition, including Far East
- Need for political and C-level lobbying
- Need to understand and be understood
- Need to align own thinking with local wishes
- Set up pan-regional office in Latin America

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Large British Enterprise # 1

- New to latin markets
- Need for on-the-ground bespoke intelligence
- Need for realistic appraisal and evaluation of Mexico, already identified as a key market, and elsewhere
- **Had realistic budget and time scales**
- Surprised at viability of product in the Americas, decided to negotiate sale of self to US investors

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“ That’s all very well, but what about Small and Medium-Sized Enterprises (SME) or even Very Small Enterprises (VSE) ? ”

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British SMEs: How do they differ ?

- Similar need: to sell more
- Smaller budgets
- Shorter time-frames
- Short of personnel resources & in-house skill bases
- Less international in outlook
- More likely to be wary of foreign climes

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What are SMEs wary of ? Should they be concerned ?

- Lack of knowledge: market, culture and language
- Financial considerations
- Personnel availability, safety and skill concerns
- Distance, just-in-time and store & forward
- Time-zones, help desks and jet lag
- Fear of the unknown and xenophobia
- Fear of not being paid

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Possible areas of frustration ? So what !

- Last-minute or later demands for RFI / RFQ
- Late deliveries due to complex logistics
- Resources spread too thinly
- Competition and pricing
- Political & market demand changes
- Sales channel / employment issues

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Sales Channel Options

- Distributor
- Third-party / OEM
- Set up local company with local office
- Retained agent
- Commission-only agent and workforce
- Remote direct sales: telephone, fax and Internet
- Indirect sales via integrators, consultants, etc
- Suitcase-seller syndrome

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Partner Qualities Sought

- What qualities would you look for in a partner for each of the options available to you.
- Which of these do you think you would not find in a mexican or any other latin market ?

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Marketing Options

- Trade events
- Trade missions
- Bespoke road shows
- Internet
- Hypermarket islands
- Other

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Who can help you with your decision ?

- Embassies
- Chambers of Commerce
- Other trade organisations: Pro Mexico
- Consultants miscellaneous
- “Consultants” and the FCPA
- Internet search engines
- Other

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Why now ? Why Mexico ?

- Pound is weak against the dollar and the euro. It will remain so for some time. If your product is all right, then non-US enthusiasts and pro-europeans have a clear, viable alternative.
- Mexico is not the only meaningful market in Latin America but it is certainly as good as any of the others, both as a single market and as a regional hub.

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Credit Crunch and Doubting Thomases

- Effect of credit crunch on Mexico
- No linear correlation between crunch and sales
- Call to arms: GB needs you to think exports
- When the going gets tough ...
- Now, not later

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So, you're interested. Now what ?

A summary of the best generic way forward:

- Do your research early or get it done for you
- Carefully consider the results and your options
- Confirm that you want to extend your horizons
- Decide whether you can really go it alone

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*If you are confident about going it alone, fine,
I'm happy for you.*

*If you don't want to go it alone or just need to
talk it through with someone ...*

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Thank you for listening

See you in the *Zona Rosa*