



Doing Business in Europe

A Guide for Canadian Businesses

www.westworldconsulting.com





About Westworld Consulting

Westworld Consulting offer business development, representation and marketing services to businesses and trade organizations. Our focus is on helping businesses based outside of Europe to establish or grow their presence within Europe – in a flexible and cost effective way.

Our team have over 30 years experience of generating leads, developing sales and increasing profits for companies within the aerospace, defense, marine & automotive markets.

Westworld operates alongside Canadian based Government Bodies and Trade Associations to support global growth and to help companies to increase sales and business outside of Canada.

Sectors:

- ✓ Aerospace
- ✓ Defense
- ✓ Marine
- ✓ Automotive





Presentation Overview

Doing Business in Europe

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The European Union (EU)

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Facts & Figures



- ✓ Canada's second largest trading partner
- ✓ Largest economy in the world, representing 25.1% of world GDP and 17.0% of world trade
- ✓ 28 Countries
- ✓ 24 Different Languages
- ✓ Over 500 Million People
- ✓ \$17.7 Trillion CAD Estimated GDP (2013)



Transatlantic Trade

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Facts & Figures



- ✓ Canada exported \$55.3 billion CAD in goods and services to Europe in 2011
- ✓ Bilateral trade in goods between the European Union and Canada was \$92.4 billion CAD in 2012
- ✓ 2013 saw political agreement to key elements of a trade agreement that will remove 99% of tariffs between Canada and the EU.
- ✓ This is extremely good for businesses and is expected to increase trade by 23%.



Why Europe?

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With an annual turnover of €186.8 billion in the aerospace and defense sectors alone, the European Union presents an extremely large market in which to sell your business's products or services.

Some of the many reasons to expand into / trade in Europe:

- Business Growth - Increased Sales & Profits
- Security - Your business will be less vulnerable to fluctuations or downturns in your domestic market with an international customer base.
- Having an international outlook gives you a competitive advantage and is a positive attribute in the eyes of your customers.
- Your business is more likely to be successful – it exposes you to different ways of doing business, can result in better management practices, improved competitive intelligence and will present new opportunities.





European Aerospace & Defense Market

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Europe has a very mature and sophisticated aerospace & defense market. It is often ahead of the curve in terms of global manufacturing and technology trends, especially when it comes to the supply chain – which is well developed.

Facts and Figures:

- ✓ €186.8 Billion Turnover (2012)
- ✓ 51% Military / 49% Civil
- ✓ 30% share of global aerospace and defense market
- ✓ Employs 752,500 people directly
- ✓ Broad array of disciplines – military air & land systems, commercial aerospace, space, electronics, software, avionics etc.

Whilst Canadian entrants can face strong competition from EU companies, good opportunities do exist.





European Aerospace & Defense OEMs

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Europe is home to some of the world's largest aerospace & defense companies:

BAE SYSTEMS



THALES



BOMBARDIER



COBHAM





Options for Market Entry

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There are a number of ways in which your business can establish a presence in Europe, these include:

- Selling direct from Canada
- Appointing a European representative / independent agent / distributor
- Setting up / Establishing a European Office in order to market your products/services
- Acquire / Merge with a European Entity
- Joint Venture / Alliance / Partnership with a European Entity





Typical Barriers to Market Entry

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Domestic Barriers

- Canadian Government Regulations – Export Controls List
- Access to Finance – working capital & trade finance
- Transportation & shipping costs
- Lack of managerial time to deal with internationalization



Foreign Affairs, Trade and
Development Canada

European Barriers

- Inappropriate Timing
- Insufficient knowledge or understanding of the regional market
- Lack of physical presence / regional sales team
- Limited regional contacts
- Cultural & language barriers
- Varying [country-by-country] laws/regulations across EU member states





Strategies for Success

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- ✓ Consider appointing an experienced European sales representative / business development consultancy in Europe to help you get established
- ✓ Make use of the Canadian Trade Commissioner Service
- ✓ Participate and engage with domestic trade associations / organisations – they often offer dedicated support to help develop overseas trade
- ✓ Attend relevant Trade Shows and Exhibitions in Europe to develop sales leads and contacts
- ✓ Seek to cultivate and maintain professional relationships in industry
- ✓ Explore sales opportunities with top tier suppliers, not just the OEMs themselves – this is especially true for SME companies.





Using a Business Development Consultancy

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Using an independent European business development consultancy to help you enter the market has a number of advantages:

- ✓ Provides your business with an instant European presence
- ✓ Lower cost and more flexible – much cheaper than establishing your own office from the outset / recruiting a full time sales manager
- ✓ Detailed awareness, understanding and experience of the market
- ✓ Existing contacts in industry – potentially with key decision makers
- ✓ Understanding of business, cultural and social factors in Europe
- ✓ Ideal for SME companies who don't have the time / resources available to chase work in Europe
- ✓ Will help you overcome languages barriers
- ✓ Legal, HR and administrative backup to navigate local rules and regulations





Summary

Doing Business in Europe

- ✓ Many of the World's largest Aerospace and Defense OEMs are based in Europe
- ✓ There are great opportunities for Canadian Businesses to trade in Europe
- ✓ Familiarity and understanding of the market is essential – seek assistance from the Canadian Trade Commissioner Service and/or a European business development company
- ✓ Ensure you have a thought out and researched strategy
- ✓ Analyze the barriers to entry for your business, get help in overcoming them before you start
- ✓ Seek to cultivate and maintain business relationships with key decision makers
- ✓ Consider approaching top tier suppliers, as well as OEMs, when generating sales leads

