

# AGRIBUSINESS SERIES

E x p o r t   H a n d b o o k s

HOW TO CHOOSE  
AND NEGOTIATE WITH  
AN INTERMEDIARY IN  
ANOTHER COUNTRY



Inter-American Program for the Promotion  
of Trade, Agribusiness and Food Safety

# AGRIBUSINESS SERIES

E x p o r t   H a n d b o o k s

## HOW TO CHOOSE AND NEGOTIATE WITH AN INTERMEDIARY IN ANOTHER COUNTRY

**Inter-American Institute for Cooperation on Agriculture, IICA**

Inter-American Program for the Promotion of Trade,  
Agribusiness and Food Safety

© Inter-American Institute for Cooperation on Agriculture (IICA). 2006

The Institute encourages the fair use of this document. Proper citation is requested.

This document was prepared by the Miami-based Inter-American Program for the Promotion of Trade, Agribusiness and Food Safety, at the request of the IICA's Agribusiness Competitiveness Directorate. It was written by Daniel Rodríguez Sáenz, IICA Agribusiness specialist. Mr. Quentin B. Kubicek, Agricultural Health & Food Safety Specialist for IICA assisted in editing the English version.

This publication is also available in electronic (PDF) format from IICA's website at [www.iica.int](http://www.iica.int).

Rodríguez Sáenz, Daniel

How to choose and negotiate with an intermediary in another country / Daniel Rodríguez Sáenz. – San José, C.R. : IICA. Agribusiness Competitiveness Directorate, 2006.

24 pp. ; 15x22 cm. – (Agribusiness Series. Export Handbooks / IICA, ISSN 1819-9208 ; No. 07)

ISBN 92-90-39-763-2

1. Exports 2. Marketing I. IICA II. Title  
III. Series

AGRIS  
E71

DEWEY  
382.6

San José, Costa Rica  
2006

# INDEX

■ FORWARD	5
■ INTRODUCTION	7
■ STEPS FOR STARTING A BUSINESS RELATIONSHIP WITH AN INTERMEDIARY IN ANOTHER COUNTRY	9
STEP 1. Identify the Best Type of Intermediary for Your Company and Your Product.....	10
STEP 2. Find Possible Intermediaries .....	13
STEP 3. Make Your Initial Selection .....	14
STEP 4. Confirm the Interest of the Selected Intermediaries .....	15
STEP 5. Have a Face-to-Face Meeting .....	15
STEP 6. Decide on the Candidate You are Going to Work With ...	17
STEP 7. Negotiate with the Chosen Candidate .....	18
STEP 8. Sign the Contract .....	22
STEP 9. Start the Business Relationship .....	23
■ CONCLUSIONS	23



The Inter-American Institute for Cooperation on Agriculture (IICA), through its Agribusiness Competitiveness Division, seeks to help countries identify and take advantage of opportunities provided by the market, and to support public and private institutions to develop and promote agribusinesses.

In January 2004, the IICA, through this Division, launched the Inter-American Program for the Promotion of Trade, Agribusiness and Food Safety, which has its main office in Miami, Florida.

This initiative was undertaken with a mandate of offering technical cooperation to strengthen the entrepreneurial ability of small and medium-sized agribusinesses in IICA member countries, help identify trade opportunities and provide information to facilitate business decision-making.

The activities conducted thus far, both by the Agribusiness Competitiveness Division and by the Inter-American Program, have enabled us to identify specific needs of small and medium-sized agribusinesses in the Americas. The issues identified as priorities have been analyzed and the results are being published in our **Agribusiness Series**, with the intention of helping to strengthen the competitiveness of small and medium-sized businesses. The **Export Handbooks** section consists of documents intended to provide tools to facilitate decision-making in order to access international markets successfully.

This handbook, titled **How to Choose and Negotiate with an Intermediary in Another Country**, provides information about the different types of intermediaries, how to contact them, how to choose among them and how to successfully conclude the negotiating process. We are confident that this publication will become an enduring reference

tool for small and medium-sized agribusinesses. And at the IICA we hope to play a role in strengthening your competitiveness and improving your living conditions.

Sincerely,

**Miguel García Winder**

*Director of Agribusiness Competitiveness  
Inter-American Program to Promote Trade,  
Agribusiness and Food Safety  
The IICA Office in Miami*

One of the first decisions that small and medium agro-industry companies wanting to export must make is to figure out how they will enter a foreign market.

In practice, they have three options to export: indirect, through intermediaries in the local market; direct, through intermediaries in another country or on their own; and through cooperative alliances, such as consortiums for exporting.

Although indirect exporting through intermediaries in the local market is the least risky and most economical way of engaging in the export process, the main disadvantage is that the company has little control over its product and distribution channels. Perhaps the biggest drawback is that the company does not acquire international experience. Moreover, this option usually generates the lowest amount of return for the producer.

Direct exporting through an intermediary in another country has the advantages of giving the producer more control over its products and the distribution channels, and acquiring experience as an exporter without having to disburse its own funds. The disadvantages include higher costs and more risk; nevertheless, even though you assume more risk, it is usually offset by a higher profit.

The third option, exporting through cooperative alliances allows the producer to have a larger export offering and lower costs, thanks to economies of scale. However, this type of option poses the challenge of breaking the individualistic and mistrustful mind-set that owners of small and medium-sized businesses often have.

In general, small and medium businesses of the agro-industry sector entering the international market for the first time have limited financial resources, few employees, and are unfamiliar with most export requirements and procedures. Therefore, they often start exporting through intermediaries in another country.



This handbook describes the different types of intermediaries, the advantages and disadvantages of each, and the types of companies that benefit most from their services. It also analyzes the process of finding intermediaries and the elements that should be taken into account in choosing among them. Finally, it makes recommendations for the stages of negotiation and preparation of the contract, as well as for starting and maintaining a good business relationship.

# STEPS FOR STARTING A BUSINESS RELATIONSHIP WITH AN INTERMEDIARY IN ANOTHER COUNTRY

Because the selection of the intermediary is very important for the success in exporting, the Inter-American Institute for Cooperation on Agriculture (IICA), based on the experience of the Inter-American Program for the Promotion of Trade, Agribusiness and Food Safety, suggests nine steps for choosing an intermediary in another country and maintaining a successful business relationship.

By taking each of these steps, producers will have more control over their choice of an intermediary which will increase the probability of success of their exports.

## Steps for starting a business relationship with an intermediary in another country

1. Identify the best type of intermediary for your company and your product
2. Find possible intermediaries
3. Make your initial selection
4. Confirm the interest of the selected intermediaries
5. Have a face-to-face meeting
6. Decide on the candidate you are going to work with
7. Negotiate with the chosen candidate
8. Sign the contract
9. Start the business relationship

## STEP 1. IDENTIFY THE BEST TYPE OF INTERMEDIARY FOR YOUR COMPANY AND YOUR PRODUCT

One of the first things that a company which opts to export must do is decide how to enter the destination country. Among the factors that should be taken into consideration are the company's amount of experience and the destination market.

As mentioned above, the method of direct export through intermediaries located in the destination country is the most attractive option for small and medium businesses who do not have a great deal of experience in the export process and do not have in-depth familiarity with the market that they wish to enter.

Direct exporting through intermediaries can be done in two ways: working with brokers or distributors.

Brokers are usually individuals who promote and carry out business operations on behalf of the exporter company without acquiring ownership of the products. Their remuneration is by commission.

Working through a broker has the following advantages to the company: it enables a presence in the market of interest; it allows to test the market without the risk involved in starting its own operation in the destination country; it permits control over the price and marketing of the product because the company retains the ownership of it; and, finally, it enables the exporter to give better follow-up to clients, because of the presence in the market through the broker. All of the above can mean a faster entry into the destination market.

The main disadvantage is that most of the times the clients belong to the broker, not to the company. Therefore there is a risk that the broker could change supplier. Also, since brokers generally function with minimal structure, post-sales service may be very limited.

Working with brokers is a desirable option for companies who are unfamiliar with the market which they want to enter, whose products do not require much post-sale service, and when price variations require

ongoing contact with clients. For those reasons, brokers are most utilized by companies that export produce.

#### **Fact. Brokers who work in the U.S. market**

Brokers who work in the U.S. market usually charge a commission of 5 to 9%. Bear in mind that the lower the sales volume and amount of product rotation, the higher the commission will be. In addition to a commission, brokers charge a product handling fee, the amount of which is stipulated in the negotiation process.

Distributors, on the other hand, are independent businessmen who make their commercial trading structure available to exporters, in order to distribute - for a specified time period and in a specified territory- the products supplied to them. It should be noted that they acquire ownership of the products and, therefore, they assume the risks in the export market. They also provide many services, including the ability to store and distribute products, post-sale services, and in many cases -since they become the owners of the product- the ability to offer financing to buyers.

Working with distributors gives small and medium agro-industry businesses the advantage of simplifying client management, since the exporter works with just one client in a specified territory, and the distributor is responsible for inventory, post-sales service, and operations work. Furthermore, the distributor usually shares promotion costs with the company and can help cultivate a specific clientele.

As for disadvantages, it is worth mentioning that the more services provided by the distributor, the higher the charges, which could result in reducing the exporter's profit margin. Also, because the distributor becomes the owner of the products, the exporter may lose control over how they are marketed. Finally, if the distributor handles a wide range of products, the effort which he dedicates to the product of a specific exporter might not be what is required to achieve its maximum potential.

Working with distributors is desirable for companies starting to export who are unfamiliar with the market to which they wish to export, who work with products that do require post-sale service and, who are not particularly interested in establishing their own brand. For these reasons, distributors are most utilized by companies that export processed products.

**Fact. Distributors who work in the U.S. market**

Distributors who work in the U.S. market usually charge a commission of 25 to 30%. The key to their success lies in post-sale services. Integration among retailers, particularly supermarkets, has produced consolidation also among distributors, because they no longer work only in specific cities, but regionally and, in some cases, nationally. Currently, most distributors of ethnic or nostalgia products are creating and consolidating their own brands.

To facilitate the choice between a broker and a distributor, the table below summarizes the major characteristics of each.

**Comparison between Brokers and Distributors**

Broker	Distributor
<ul style="list-style-type: none"> <li>• Does not buy products</li> <li>• Lack of formal structure</li> <li>• Does not assume risks</li> <li>• Charges a commission on sales</li> <li>• Enables more control over product</li> <li>• Limited post-sale services</li> <li>• Does not make marketing decisions</li> <li>• Relationship is short-term</li> </ul>	<ul style="list-style-type: none"> <li>• Buys products</li> <li>• Clear formal structure</li> <li>• Assumes risks</li> <li>• Charges a commercial margin</li> <li>• Permits less control over product</li> <li>• Considerable post-sale services</li> <li>• Participates in marketing decisions</li> <li>• Relationship is long-term</li> </ul>

## STEP 2. FIND POSSIBLE INTERMEDIARIES

Intermediaries can be found through primary or secondary information sources. Primary sources provide first-hand information which must be prepared for the first time and in a specific way, to meet the needs of the company. On the other hand, secondary sources provide previously prepared information that is, generated before and for a purpose which does not necessarily correspond to that of the company; it is presented in the form of published data.

Among the main secondary sources for locating an intermediary in another country are public or private institutions in charge of promoting exports, trade offices in foreign countries, trade associations of producers, importers, or exporters, specialized guidebooks of the destination country (importer guidebooks), and the Internet.

### An example of a secondary information source for identifying intermediaries that work with fresh products in the U.S. market.<sup>1</sup>

Two of the main secondary information sources for finding intermediaries that work on produce are the **Red Book Marketing**, [www.redbookmarketing.com](http://www.redbookmarketing.com) and the **Blue Book**, [www.bluebookprco.com](http://www.bluebookprco.com). Producers who subscribe to these services can examine a list of buyers in the U.S., organized by product, city, and payment history.

If you want first-hand information in order to identify possible intermediaries in another country, we recommend contacting exporters of similar or related products, participating in trade fairs, or visiting the destination market.

---

1. The IICA does not specifically endorse the use of either of these services; they are mentioned only as examples, since they are known in the industry as reference sources.

### An example of finding an intermediary by visiting the destination market

One of the fastest and most effective ways of finding an intermediary in another country is by visiting the destination market. Once you find a businessman in the market of interest, we recommend that you do the following:

1. Identify and visit, the main points of sale, supermarkets, ethnic markets, distribution centers, and wholesale markets.
2. Look for competing or substitute products.
3. Check product labels to identify the distributors.
4. Make a list of the principal distributors and determine how to contact them. If the label mentions only the distributor's name, we recommend checking the yellow pages or the Internet to find out how to contact him.
5. Contact the distributors to determine if they are interested in your company's product.

## STEP 3. MAKE YOUR INITIAL SELECTION

Once you have identified possible intermediaries and confirm their respective addresses and telephone numbers, we recommend making an initial approach, to see if they are interested in your product and willing to have a face-to-face meeting.

There are at least two ways of making an initial contact with intermediaries, depending on whether your company's representative is in the country of origin or in the destination country (conducting preliminary research, for example). In the former case, we recommend writing a letter expressing your interest in finding an intermediary, including a brief description of your company, products profiles, and the territory in which you are interested in selling your products.

If the company's representative is in the destination market, the easiest way would be to make a telephone call, providing information about your company and products, and expressing your interest in working with an intermediary in that territory. Before calling, try to find out the buyer's

name, because in large companies, which receive many offers, it can be difficult to reach him through the operator.

Don't forget that the objective of the first contact is to determine the intermediary's possible interest in the products, it is not to enter into negotiations. Therefore, giving too much information at this time can be counterproductive for an exporter seeking to make trade deals.

After sending letters or making telephone calls, the company will have a list of intermediaries interested in its product.

## STEP 4. CONFIRM THE INTEREST OF THE SELECTED INTERMEDIARIES

Once you identify that the intermediaries have some interest in your products, we recommend making a second contact, in writing or by telephone, to get more details and confirm their interest in the products of the company and to explore the possibility of getting a face to face meeting.

At this time, we recommend providing detailed information about your company and products. Make an effort to learn as much as possible about the intermediaries. By doing so, you can avoid subsequent interviews with candidates that do not meet the needs of the company.

Upon completion of this step, the company will have a smaller group of candidates which will be the basis for selection of the final intermediary.

## STEP 5. HAVE A FACE-TO-FACE MEETING

Once you have made your initial selection and reduced the number of candidates, the next step is to interview each one. Keep in mind that 'chemistry' between the parties is an essential ingredient for success in a business relationship.

In most cases, the meeting takes place in the destination country. Therefore, the exporter should be well-informed about the culture and be able to communicate in the language of the destination country or a language understood by both parties. Otherwise, the exporter must be accompanied by an interpreter.



During the interview, the first step will be a formal presentation of the company, and the objectives that it seeks to attain. Then the candidate will make a presentation, providing information about his history and the reasons why he considers his company to be the ideal candidate.

The exporter should utilize the interview to learn as much as possible about the candidate. Do bear in mind, though, that this is not the time for negotiating details, but for defining general parameters.

Below we set forth a set of parameters or criteria that the exporter should take into account for the final selection of the candidate:

### **Services that the candidate offers**

- Customs clearance
- Storage / inventory control
- Distribution
- Post-sales service
- Collections
- Other services

### **Territory in which the candidate does business**

- What territory does he cover?
- Does that territory conform to your company's objectives?
- How does he cover the territory?

### **Products that the candidate works with**

- What types of products does he specialize in?
- Is your product related to that specialization?
- How many products does he represent?
- Do those products compete with your product?

### **Companies that the candidate works with**

- How many companies does he represent?
- Who are his main clients?
- Would your company be one of his main suppliers?
- How does your company compare with other that the distributor represents?

### **Sales promotion**

- How large is the sales team?
- How many persons are assigned to your target territory?
- Is the number of persons adequate to achieve your objectives?

### **Promotion of products**

- Does he have the ability to provide market information?
- What methods of promotion does he use for his products?
- How are promotion costs distributed?

### **Infrastructure**

- Sales offices
- Warehouses
- Refrigeration system
- Types of transportation

### **References**

- Past clients
- Current clients
- Financial references

We recommend that the interview not be overly long, but it should be precise from a technical point of view. Also, you should be prepared to take notes, because the information provided will be the basis for final selection of the intermediary.

When this step is finished, the exporter should choose two or three final candidates.

## **STEP 6. DECIDE ON THE CANDIDATE YOU ARE GOING TO WORK WITH**

When you have narrowed your choice to a minimum number of candidates, it is important to verify the company's history; though you can get a general overview during the visit, the information should be analyzed from a critical perspective.

The same applies to professional references. To corroborate the information obtained, we recommend that you contact some of the intermediary's current and past clients or try to identify one or more persons who have worked for the intermediary.

Lastly, financial references should be verified, particularly if the sales agreement adds up to significant amount which could put the exporter company's existence at risk.

Based on the information obtained and corroborated, the exporter should proceed to choose the intermediary with whom he will most probably work and with whom he will proceed to the negotiation step.

## STEP 7. NEGOTIATE WITH THE CHOSEN CANDIDATE

Once you have decided on the intermediary that seems best for your company's interests, it is time to start negotiating; this process is comprised of two stages: the preparation stage and the conducting stage.

### **Preparation for the Negotiation**

This stage includes gathering all the key information which the exporter should have before negotiating. An exporter company should not begin the negotiating process without having answered the following questions:

- What are your business objectives in the destination market?
- What characteristics distinguish your products from other similar products?
- What are the packaging and packing specifications?
- Do your products comply with all export requirements?
- What payment method are you willing to accept?
- What is your exportable offer?
- What is the minimum delivery time?
- Do you require a minimum purchase order?
- What is the export price (EXW) from the plant?
- What is the FOB price?
- What is the CIF price?
- Would the price vary according to volume?
- How would you help promote your products?

Once these questions are answered, the exporter should define the negotiating margin.

The negotiating margin is comprised of three positions: starting position, breakdown position, and expected position. The first is the ideal position, in which all of the exporter's expectations are met. The second represents the minimum position, when no more concessions can be made and the negotiation breaks down. For exporters, this position usually relates to minimum selling

price, minimum export order, the time period for canceling the shipment and the payment method to be used. The expected position is the objective and realistic position, meaning what the negotiator thinks he can get.

Once the negotiating margins have been defined, the negotiating objectives should be determined. These will be used to establish criteria to enable you later to judge the success of the outcome.

The Spanish Foreign Trade Institute (ICEX) in its publication "The Key Elements of International Negotiation" recommends categorizing the negotiation objectives according to what it calls the three groups: Like to Achieve, Try to Achieve, and Must Achieve:

- **Like to achieve objectives:** are the ideal objectives that correspond to the above-described starting position. If you had to eliminate them, the exporter company would not be harmed. In summary, this is the most optimistic position.
- **Try to achieve objectives:** If you eliminate the least important objectives from the above list, you are left with the ones you would try to achieve under normal circumstances. These objectives constitute the main focus of the negotiation.
- **Must achieve objectives:** are the ones that the company absolutely has to achieve. They correspond to those of the breakdown position, mentioned above, which relate to minimum prices you are willing to sell, maximum time for receiving payment, minimum purchase order, and payment method.

Finally, in the preparation stage, we recommend the exporter draw up an agenda for discussion with the candidate. This will ensure all matters of interest to the exporter are covered. The agenda will be the basis of the negotiation and generally includes the following:

- Business objectives
- Range of products
- Geographic area
- Exclusivity
- Supplying other clients
- Delivery and payment terms
- Prices and discounts
- Brands and industrial property rights
- Exchange of information
- Duration of the contract and grounds for termination

## Conduct of the Negotiation

It is very important for the exporter to create an atmosphere conducive to negotiation. Therefore, he should present positive information about the company and its products, and also about himself. People tend to remember first impressions, especially if they are negative.

To make a favorable impression at the negotiation, we recommend the following:

- Be on time
- Your clothing and grooming should present a businesslike appearance
- Follow the customs for greetings and introductions in the country in which you are negotiating
- Bring business cards and material that promote the products and the company
- Speak the language of the country in which you are going to negotiate, or at least a few words to 'break the ice.'
- Pay attention to the names and positions of the parties
- Maintain a professional attitude
- Control your tone of voice
- Take time to listen, not just to speak
- Accept criticisms of your product without going into an argument
- Demonstrate empathy, meaning an understanding of the other party
- Be optimistic; avoid negative expressions and statements

At the very beginning of the encounter, it is appropriate to spend a little time talking about unimportant matters, such as the trip, the weather, or traffic, to 'break the ice.' We recommend that the exporter wait for the host to start talking about business. At that moment, the first questions will arise for the exporter, Who should make the first offer? Should it be high or low? or Should he have a firm or flexible attitude?

In general, the exporter makes the first offer, but when doing so be careful that it seems fair and reasonable. However, if the main argument for buying is based on price, normally the buyer makes the first offer.

Exporters who work with different types of processed products can make their offers high, with the hope of getting a higher payment for the added

value of their products. However, exporters of products with little added value, in which the price plays the decisive role, can make low offers. The exporter should keep in mind that the starting position always has two elements: the competition and the desire to close the deal.

Exporters should also be prepared to receive a counter-offer from the buyer. At that moment, we recommend that he follows a few basic rules of courtesy: do not interrupt the other party's statement and do not express an attitude of rejection, even if the offer is not to your liking. Above all, it is necessary to maintain an attitude of respect and consideration.

As for the negotiation itself, it is important to remember that: everything granted should be conditional, nothing should be free, the fewer the concessions the better. Avoid being the first to make a concession. If you have to make concessions make small ones, preferably at the end of the negotiation. Always leave a negotiating margin according to the country's business practices; never accept the first offer; and try to keep the other party's expectations low.

Once concessions have been negotiated, you are approaching what could be the most important time in the negotiation, the close. The exporter may be uncertain at first about determining when would be the best moment to close. We recommend closing the negotiation when the following conditions have been fulfilled: the needs of both parties have been met, each party believes the other party will fulfill his offers, and when the negotiating margin has been used up.

Some persons say that knowing the best moment to close the deal is more difficult than the actual closing; in any case, once the above-mentioned conditions have been met, you can proceed to close the deal. Some of the closing techniques used most often are the following:

- **Final concession:** consists of closing the discussion stage with a concession, preferably a small one.
- **Summary:** consists of writing a list of the agreements reached, the concessions granted by both parties and the benefits each party will receive.
- **Alternative:** the other party is given a choice between two options.
- **Role reversal:** the exporter takes the other party's position and asks himself what are the advantages to the offer; if the answer is positive, this is the time to close.

- **Agreement:** a written act indicating that an agreement has been reached and proposals are made about implementing it.
- **Ultimatum:** This is the most extreme way of closing. It consists of communicating that you cannot make any more concession and the last offer is the final one.

Once an agreement has been reached, we recommend putting in writing what was negotiated, reading it and summarizing each of the points. This summary will be the basis for preparation of the future contract.

## STEP 8. SIGN THE CONTRACT

When the negotiation has ended and before entering into the business relationship, we recommend that the exporter make a written contract, clarify the rights and obligations of each party, and the method of resolving possible disputes. Contracts commonly include the following terms and conditions:

- Names of the parties
- Definitions
- Commitments that the intermediary can make on the company's behalf in the designated territory.
- Declaration of good faith and negotiator loyalty
- Duration of the contract (time period)
- List of products
- Description of the territory
- Obligations of the parties (sales quotas)
- Earning and payment of commissions
- Payment terms
- Amendments to the contract
- Termination of the contract (rights and obligations)
- Penalties and indemnification
- Regulation of use of patents and trademarks
- Submission to arbitration
- Confidentiality
- Acts of God
- Applicable law and competent court (jurisdiction)

For more information about contracting in international trade, refer to workbook No. 8 "Contracting in International Trade", available soon at the webpage [www.infoagro.net/agronegocios](http://www.infoagro.net/agronegocios) in the section 'Agribusiness Series'.

## STEP 9. START THE BUSINESS RELATIONSHIP

Although the process of choosing and negotiating with an intermediary takes time and effort, that is just the first step in the export process. Only after that stage is completed does the action really begin.

However, the effort made by exporters up to this point, is worth if the relationship between both parties is win-win and long-term. Below we make some recommendations which should be taken into account to foster long-term business relationships:

- Deliver the product on time
- Make sure that the product meets the agreed upon quality standards
- If any problem arises, notify the other party promptly
- Be available 24 hours a day, 7 days a week
- Monitor performance of the agreements
- Recognize that 'post-sales follow-up' is the basis for future orders.

## CONCLUSIONS

Although the process of choosing an intermediary is not complicated, it does require an investment of time and effort. The first step is to consider what type of intermediary best conforms to the objectives, needs, and characteristics of the exporter company.

When looking for an intermediary in another country you can turn to primary and secondary sources. Secondary sources are probably available in one or more institutions near your company, so we recommend starting the process there, because it can save a lot of time. If that search is unsuccessful, or if you want first-hand information, it is recommended to participate in trade fairs, missions, or visit the destination market and do your own research.

Once you have identified possible candidates, you should make meaningful efforts to determine which ones really are interested in the company's products. This way you will decrease the number of candidates needed to interview. Arrange a meeting with the ones selected, remember, a face-to-face meeting is essential, because 'chemistry' between the parties is one of the factors that can contribute to the success of an export initiative or derail it. You need to be confident when you ask questions, apply your selection criteria, and do not leave anything in doubt. When you have 'finalist'



candidates, we recommend that you check the history of the company which they represent and verify personal and financial references.

Before sitting down to the negotiating table, you have to be well prepared, with a clear notion of your own negotiation positions and objectives, as well as the items to be discussed. When it is time for the meeting, don't forget that the impression you make is as important as the image of your company and your products. It is important to cultivate an atmosphere of empathy, in which each party can imagine himself in the other's shoes. Also, you should be clear on whether you will make the first offer and whether you will make it high or low. In the course of the negotiation, you should take care to identify the time for closing and the tactic you will use.

However simple the negotiation may be, do not neglect to sign a contract: that is the tool which enables you to formalize the obligations, responsibilities, and methods for resolving disputes.

Remember that the close of the negotiation is just the start of the export process. You must do everything possible to timely fulfill your obligations, always be available for the clients, and make sure that your trade partner also fulfills his obligations. These elements are the basis for a strong long-term business relationship.



**Inter-American Institute for Cooperation on Agriculture  
Directorate of Agribusiness Competitiveness  
Inter-American Program for the Promotion of Trade,  
Agribusiness and Food Safety Program**

Telephone: (305) 260-9010; Fax: (305) 260-9020  
Web site: [www.iica.int](http://www.iica.int) / [www.infoagro.net/agronegocios](http://www.infoagro.net/agronegocios)  
5757 Blue Lagoon Drive, Suite 200, Miami, FL/33126,  
United States of America