

CHAPTER 10 Business in a Global Economy

The Bumpy Road to Global Trade

A trade mission can put your company on the map—if you learn to think on your feet

by **Karen E. Klein**

Mary Ellen Mooney, co-owner of \$15 million Mooney Farms, was a woman with a mission. She had joined “Baja 2000,” a trade tour to Mexico, with one overriding goal: to sell her sun-dried tomato products up and down the coastline they call the Mexican Riviera.

But there were problems from the start. First, the bus carrying about 20 California entrepreneurs in food-related businesses spent 45 minutes waiting in Tijuana for one of the organizers. As the bus edged southward along the coastal road, the group was dismayed to see the rugged seascape marred by haphazard lean-tos, ancient trailers, and windblown trash. “Is this who we’re coming down to sell to?” asked Mooney’s friend Pam Pittman, a producer of organic salad dressings, as they passed a lot full of rusty, junked cars. “Mexico hasn’t changed as much as they say it has,” Mooney replied glumly.

Behind schedule, the bus pulled into Ensenada, just in time for a cooking demonstration aimed at showing off the Americans’ wares to several dozen buyers and chefs. As the visitors ferried supplies from the double-parked bus, a police officer ordered the driver to move. Mooney and the others came back to find him gone along with some of their products and marketing materials. Meanwhile, the culinary display drew a paltry audience—only three local chefs and a handful of Mexican entrepreneurs who wanted to sell to them. None of the promised buyers or distributors showed up. On top of that, the chef hired to organize the demonstration had ordered \$150 worth of ingredients for Mooney—and prepared his own menu. “I told him specifically to get one package of cream cheese and a couple loaves of bread!” she wailed. Pittman fared no better. The chef presented her with a large platter of grilled shrimp she hadn’t ordered, marinated in her dressing—along with a \$120 bill. “I’m not going to pay until they make me,” Pittman growled through gritted teeth.

The second day was no better. Hardly any of the promised food buyers or distributors showed up to attend their small trade show at a remote but picturesque adobe hotel an hour’s drive from Ensenada. (Most of the attendees were farmers who came for Spanish-language courses on U.S. agriculture.) At one low point, Mooney, left without options, found herself in a seminar on drip irrigation. “I want to sell. I want to make money here,” she said, leaving the session. “I’d do better going back to Ensenada and walking into some white-table-cloth restaurants with some product samples and my business card.”

By Saturday, in the last remaining hours of her three-day, \$2,000 trade trip, Mooney decided to do just that. Despite pleas by the trip’s organizers to stay with the group for a visit to a farm and winery, she set out on her own. She borrowed a van, rustled up a tank of gas, and enlisted a Spanish-speaking colleague to drive her and several of her fellow travelers into Ensenada, a once-grimy fishing village that has morphed into a thriving cruise-ship port. They promised the tour leaders that they’d be back in two hours. “If the distributors and food buyers are not coming to us, let’s go find them,” said Mooney.

TRICKS OF THE TRADE. Baja 2000, the July mission organized by a consortium of California state trade groups, is just one of hundreds of such trade trips put together each year by government and private agencies. Once they were largely ceremonial affairs for big corporations, but trade missions for entrepreneurs have soared in popularity over the past decade as small companies seek help navigating the cultural and regulatory intricacies of foreign markets. In 1998, small businesses exported \$112.2 billion worth of goods and services, according to the Commerce Dept. “There are more missions than ever before, and a growing perception that access to world markets is easier than ever,” says Doug Barry, spokesman for the department’s U.S. Commercial Service, which promotes American businesses overseas. Last year, the department sponsored 29 missions to locales including Chile, Athens, and Korea.

For home-bound entrepreneurs, a trade trip can be a real eye-opener, revealing the potential—or lack thereof—in a particular market. Typically, the missions, which cost \$300 to \$500 a day plus lodging and airfare, offer meetings with local businesspeople, tours, and economic briefings. Overseas travel can be costly, but some groups provide financial help. Michael Gondek, vice-president of sales at \$25-million

Minnesota Brewing Co., which sells malt beverages, sodas, and fruit drinks, was refunded half the \$20,000 tab for a 16-day mission to Japan last year by the Mid-America International Agri-Trade Council, a promoter of agricultural-based exports. "By the end of this year, my business in Japan will be up over 50%," he projects.

Yet, as the Baja group discovered, plenty can go wrong despite the sponsors' best intentions. "With all of our diligent work and efforts to invite the right people, we could not make them show up. We didn't offer to pay them," says trip leader Bernie Weiss, statewide director of the California Centers for International Trade Development, which co-sponsored Baja 2000—its first mission—along with the California-Mexico Trade Assistance Centers.

Even the smoothest experience might not yield quick results. Helena Callas, for instance, the owner of Helena Callas Cosmetics in Los Angeles, took a trip to Mexico City in December, 1998. Then, she had to follow up leads, sign a distributor, navigate government regulations, get translations, and obtain licensing. A year later, she finally closed a \$150,000 sale to a department store chain and another for \$40,000 with a boutique.

In the end, a trade mission is mostly what you make of it. Last year, Tom Miller, vice-president of international sales for Dahlgren & Co. Inc., a Crookston (Minn.) sunflower seed processor, went to China on a trip that mostly involved ceremonial meetings with government officials. But Miller managed to grab a private meeting with the president of a snack-food company in central China. That encounter led to a \$1 million contract.

Mooney, too, knew the value of local contacts. Following a 1998 trade mission to Paris, she came close to striking a distribution deal, which died when the dollar rose sharply against the franc. (She did, however, clinch a big Venezuelan order from a broker she met on the trip.) Mooney isn't easily discouraged. Over a dozen years, she had transformed her mother's bankrupt kiwi farm in Chico, Calif., into a 50-employee family business that produces 75% of the private-label, oil-packed

sun-dried tomatoes sold in the U.S. Mooney was particularly heartened by Mexico's recent election of President Vicente Fox, who has vowed to strengthen business in Baja. She figured the trade mission could help her make \$500,000 in sales to the region in her first year alone.

MISSION IMPOSSIBLE? With just two hours left in their trip, Mooney and her little entourage frantically scoured the shelves of two modern supermarkets in Ensenada, looking in vain for sun-dried tomatoes bearing the name of a distributor on the label. Next, they headed to the upscale tourist restaurants and gourmet food shops. Finally, with only minutes to spare, Mooney popped into an elegant restaurant and quickly scanned the menu. Bingo. There it was: *tomates secos* in a penne pasta dish. "Dried tomatoes!" she exclaimed as if she'd found the Holy Grail. A waiter took her into the kitchen and showed her the invoice for the tomatoes; she scribbled the distributor's name and left.

Ironically, Baja 2000 travelers probably benefited most from networking with each other. When Pittman got home, she sold four kinds of salad dressing to Johnny Scurto—a Chico restaurateur—and created a brand-new flavor, lime-cilantro, for his eatery. "Here I am—how many miles from home?—making a deal with a restaurant that's one mile from me!" she said.

As for Mooney, she calls the trip "a partial success." Once back home, she phoned the distributor she'd found. He agreed to take \$1,200 a month of her tomatoes—not what she'd hoped for, but a start. She's still convinced there's a big market in Mexico, just not in Baja. During the trip, Mooney and Hiram Ortiz, who runs her processing plant in Sonora, devised a marketing plan aimed at Guadalajara, Mexico City, and perhaps Acapulco.

And she's not giving up on trade jaunts just yet. She's scheduled to go to Caracas in November and Canada the following year. Then, maybe, finally, she can say, "mission accomplished."

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