



FROM BRAZIL TO CANADA: A WHITE PAPER ON

**ISSUES IN
INTERNATIONALIZATION**

WHO IS THIS FOR?

- ✓ Brazilian businesses who believe that internationalizing is fundamental to their growth strategy
- ✓ Brazilian businesses who believe that they offer world-class solutions to their clients and want to access G7 markets
- ✓ Brazilian businessmen and women who are seeking excellent quality of life for themselves and their families



INTERNATIONALIZATION: THE KEY TO GROWTH

Establishing presence in a G7 country offers a multitude of benefits to the company, be it insertion in a dynamic ecosystem, countless opportunities for R&D and strategic relationships, motivation to key employees and boost the brand at home and abroad.

But where to start? Many Brazilian small to medium enterprises look at Latin America, other Emerging Markets or perhaps Florida. While all of these options present their benefits, a global trend against immigration and closing markets may be turning internationalization a harder effort than just a few years ago.

Canada presents unique advantages such as a welcoming multiculturalism, dynamic economy, very low corruption and access to key markets.

Canada offers distinct added advantages such as lower corporate taxes, innovative government support structures, and a diverse and educated population.

It's hard to imagine today a better place to calibrate an internationalized business model.

Come make Canada the new home for your company!

CANADA: THE BEST PLACE IN THE WORLD TO DO BUSINESS



Canada is known internationally for its wilderness, having a cold climate and generally being full of nice people. Besides being makers of maple syrup and players of hockey, Canada is also a great place to run a business.

Smaller than the U.S. market, yet similar in structure to its bigger cousin to the south, Canada makes an ideal place to establish your international presence.

CANADA: THE BEST PLACE IN THE WORLD TO DO BUSINESS

When setting up a small or medium-sized business in a some countries, there may be that moment when something goes unexpectedly wrong and the only thing that may speed the process is money under the table. This can be a challenging and frustrating experience. In Canada, this experience is almost non-existent.

In the perception of corruption, Canada is the highest ranked country in the Americas and ranked overall at 9 out of 174 countries, according to a global ranking by Transparency International. Canada's ranking was above the United States and way above Brazil.

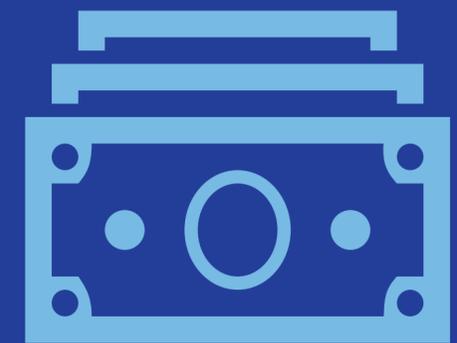
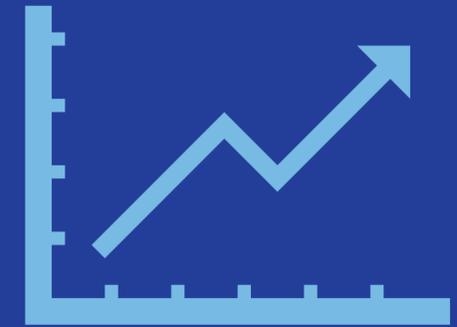
Canada is the neighbour to the north of the United States. They share the longest undefended border in the world and along it is where the vast majority of Canadians live. Canada's infrastructure, roads, pipelines, and rail lines mainly lead south.

Besides their close proximity, their two economies are intricately linked, making Canada a good launching place to expand you business overseas into the U.S. market.

In October 2016, Canada became the first country to sign a bilateral trade agreement with the European Union (CETA).

CANADA: THE BEST PLACE IN THE WORLD TO DO BUSINESS

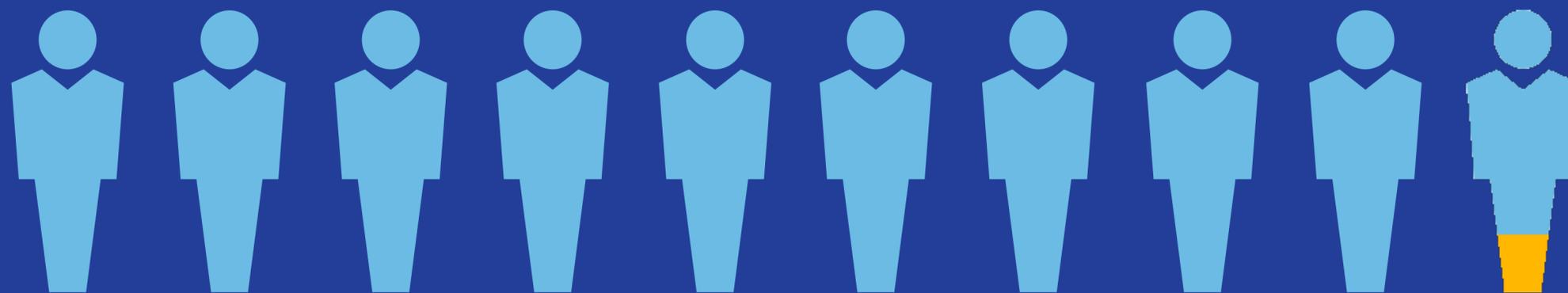
- ✓ In 2015, Ontario ranked as the top state (or province) in North America for foreign capital investment.
- ✓ For infrastructure, Canada is ranked 13, the U.S. 14 and Brazil 70 out of 144 countries, according to a 2013 global competitive report by the World Economic Forum.
- ✓ In Canada, the government spends more than industry on R&D relative to other OECD countries, resulting in a large amount of grants and loans available to match investment made by companies.
- ✓ The Canadian market is a smaller yet in many ways similar to the United States, but without the expense of providing health care to employees.



IT SOUNDS SIMPLE: BUT TYPICAL ERRORS ENTER INTO THE PROCESS

The Brazilian company that wants to internationalize typically follows a standard timeline of expectations. You meet a business contact at a trade show or mission; perhaps you are introduced by a government representative, a chamber of commerce, or a matchmaker.

Despite abundant ways to get introductions and a wealth of resources and information, a very small proportion of companies end up conducting a successful business in Canada.



- ✓ Favourable environment for business in Canada BUT competition is MUCH STRONGER
- ✓ Try to sell is not enough: branding, marketing and service is much more critical in the Canadian market
- ✓ It's absolutely fundamental to understand the problems of potential clients BEFORE offering them a solution



INTERNAL ISSUES IN INTERNATIONALIZATION



- ✓ It's necessary to build a healthy sales pipeline, and approach them with Targeted Customization
- ✓ A disproportional weight is placed on key people at the Brazilian company. The owner gets pulled apart by trying to keep things going at home while getting things started here
- ✓ There is a learning curve, and its not just a language barrier. It takes time, and you need help to internalize the key differences in the new business environment

BRAZILIAN ROOTS, CANADIAN EXPERIENCE

In the Canadian market, quality may get you a seat at the table but it doesn't win the game. It is critical that as a Brazilian small to medium sized enterprise, you draw a detailed plan for entry into the market. This means validating assumptions on the ground, with real prospects. Sending a catalogue and price list to a list of prospects rarely yields results.

For companies with a strong core focus, who are ready to build on their core value, and really tap into the opportunities available in Canada, Lucalex can be your eyes and ears on the ground.

Lucalex is a Toronto-based company founded in 2012 to structure business opportunities for mid-sized companies in Brazil and Canada. We help Brazilian companies become fully integrated in the Canadian business environment.

While leveraging our Brazilian roots, our deep connections in Canada's business environment allow us to negotiate successfully and operate efficiently in the local market. We have a proven track record building and maintaining relationships in Ontario, where the company has an extensive business network.



BRAZILIAN ROOTS, CANADIAN EXPERIENCE

We team up with experts to maximize the efficient delivery of value to clients, leveraging a strong network of collaborators experienced in the Brazil-Canada space.

We work with seasoned professionals and companies with strong knowledge of the products and impeccable industry reputation in their areas (logistics, accounting, legal, marketing, taxation, financial services, etc.).

Find out more about how Lucalex can help you internationalize and grow your business at lucalex.ca

