



NEWS

FROM **WATERLOO LUTHERAN UNIVERSITY**

WATERLOO UNIVERSITY COLLEGE — WATERLOO LUTHERAN SEMINARY

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Attention: Business Editors
For Immediate Release

GETTING PAID STILL THE VITAL

PART OF BUSINESS DEALINGS

Businessmen attending an export management seminar at Waterloo Lutheran University were told that "getting paid" is still the most important part of any business dealings -- in the domestic or the foreign market.

F. I. Ryckman of Hamilton, export credit manager of The Steel Company of Canada Ltd., said there are tests a company should make before extending credit.

"Make sure your customer enjoys a good reputation for reliability and is respected in his business community.

"His assets should be sufficient to enable your customer to withstand the normal ups and downs of business. He should be making a profit and enjoy the confidence of his banker.

"Be cautious in considering balance sheets," Mr. Ryckman said. "In some countries taxation is based on declared capital, so naturally there is a tendency in such instances toward undervaluation of assets."

And he advised those considering extending credit to benefit by the experience of others. Most credit reports give advice of this type. Companies should also pay attention to the importing experience of the customer.

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A second speaker at the seminar, Donald Henry, manager for international sales, Canadian General Electric Company Ltd., of Toronto, warned that price can make or break the sale in dealing with international customers.

Make sure that your customer clearly understands your tender, since misunderstandings that lead to poor collection often result over misunderstanding of tender terms.

"Since correspondence is the main method of communication, make it clear and simple," Mr. Henry told the 20 businessmen and Waterloo Lutheran students attending the session.

Terms of payment are important, he said, suggesting that these items be kept in mind:

1. Do you have to borrow money during the manufacturing cycle?
2. Do you have the use of the purchaser's money during the manufacturing cycle?
3. What is the interest rate in effect during the period of manufacture?
4. Do you have to submit a bid deposit or post a performance bond?

Mr. Henry added that there is no fixed pattern for pricing. An exporter needs to be flexible and to adjust to conditions that change, sometimes with short notice.

"One border closes and another opens. One economy stabilizes and another has an inflationary spurt. One government falls and another nationalizes all industry. Pricing in such environment is an intricate, delicate and fascinating endeavor."

"The exporter should know his customer and the tariff regulations of the importing country. He then must perform and have perseverance."