

Evaluate Foreign Representatives
Before you sign a contract with a potential partner, conduct due diligence to make sure they are trustworthy and knowledgeable about your industry in the market.

Evaluate Foreign Representatives

Once your company has identified a number of potential representatives or distributors in the selected market, contact each one directly. You can also explore third-party vetting services and visit the foreign site.

Your firm should investigate potential representatives or distributors carefully before entering into an agreement with them. Your counterpart will also want more information about your company.

Information to Request

Do not hesitate to ask potential representatives or distributors detailed and specific questions. Well-qualified representatives will gladly answer questions that help distinguish them from less-qualified competitors. Here is information you will need:

• Current status and history, including background on principal officers
• Methods of introducing new products into the sales territory
• Trade and bank references
• Data on whether your firm's special requirements can be met

Also, ask for the prospective representative or distributor's assessment of the in-country market potential for your firm's products. That information is useful in gauging how much the representative knows about your industry; and it provides valuable market research as well.

Obtain Supporting Information

Third-party references: Although you may obtain information
from mutual business contacts, consider obtaining at least two supporting business and credit reports to ensure that the distributor or representative is reputable. A second credit report from a different source will give you new or more complete information.

- Reports from a number of companies are available from commercial firms and from the **U.S. Commercial Service's International Company Profile** service. This is a fee-based service. **Commercial firms and banks** are also sources of credit information on overseas representatives. They can provide information directly or from their correspondent banks or branches overseas. Directories of international companies may also provide credit information on foreign firms.

- **Business Libraries.** Several private-sector publications list and qualify international companies. There are ?also many directories devoted to specific regions and countries.

- **International Banks.** Bankers have access to vast amounts of information on foreign companies and?are usually very willing to assist?corporate customers.

- **Foreign Embassies**. Foreign embassies are located in?Washington, DC, and some have consulates?in other major U.S. cities. The commercial (business) sections of most foreign embassies have directories of companies located in?their countries.

- **Internet:** You can often find company information through your favorite search engine. However, pay? attention to the sources of the information you find, because search engine results may not?always be recent or accurate.

In-person Site Visit

Once your company has prequalified some foreign representatives, consider traveling to the foreign country to observe the size, condition, and location of their offices and warehouses. In addition, your company should meet each sales force and try to assess its strength in the marketplace. If traveling to each distributor or representative is difficult, you may decide to meet each of them at a U.S. or worldwide trade shows. The U.S. Commercial Service can arrange meetings. In some cases, videoconferencing may be able to replace the need to travel.

Information You Provide

Just as your firm is seeking information on the foreign representative, the representative is interested in corporate and product information on your firm. The prospective representative may want more information than your company normally provides to a casual buyer.

Your firm should provide full information on its history, resources, personnel, product line, previous export activity (if any), and all other relevant matters. Your firm may wish to include a photograph or two of plant facilities and products—and even product samples when practical. You may also want to consider inviting the foreign representative to visit your company's operations. Whenever the danger of intellectual property theft is significant, you should guard against sending product samples that could be easily copied.

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Global Business Navigator Chatbot Beta

Welcome to the Global Business Navigator, an artificial intelligence (AI) Chatbot from the International Trade Administration (ITA). This tool, currently in beta version testing, is designed to provide general information on the exporting process and the resources available to assist new and experienced U.S. exporters. The Chatbot, developed using Microsoft's Azure AI services, is trained on ITA's export-related content and aims to quickly get users the information they need. The Chatbot is intended to make the benefits of exporting more accessible

by understanding non-expert language, idiomatic expressions, and foreign languages.

Limitations

As a beta product, the Chatbot is currently being tested and its responses may occasionally produce inaccurate or incomplete information. The Chatbot is trained to decline out of scope or inappropriate requests. The Chatbot's knowledge is limited to the public information on the Export Solutions web pages of Trade.gov, which covers a wide range of topics on exporting. While it cannot provide responses specific to a company's product or a specific foreign market, its reference pages will guide you to other relevant government resources and market research. Always double-check the Chatbot's responses using the provided references or by visiting the Export Solutions web pages on Trade.gov. Do not use its responses as legal or professional advice. Inaccurate advice from the Chatbot would not be a defense to violating any export rules or regulations.

Privacy

The Chatbot does not collect information about users and does not use the contents of users' chat history to learn new information. All feedback is anonymous. Please do not enter personally identifiable information (PII), sensitive, or proprietary information into the Chatbot. Your conversations will not be connected to other interactions or accounts with ITA. Conversations with the Chatbot may be reviewed to help ITA improve the tool and address harmful, illegal, or otherwise inappropriate questions.

Translation

The Chatbot supports a wide range of languages. Because the Chatbot is trained in English and responses are translated, you should verify the translation. For example, the Chatbot may have difficulty with acronyms, abbreviations, and nuances in a language other than English.