

Six Elements of a Successful Mexico Market Strategy

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By Ricardo Malacara

With its current labor rates and manufacturing capabilities, Mexico is well-positioned to take advantage of businesses and processes moving back to North America. Expectations are that the world will see a reshoring of manufacturing plants as the pandemic has exposed the challenges and potential liabilities of having essential parts of the supply chain far away from your production.

Are you prepared to take advantage of this trend?

Are you thinking that you could sell your products in Mexico but don't know how to start? If you are, I can help.



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Based on my 20 years of experience working for international companies in Mexico and having the last five years representing American and Canadian companies in Mexico, I have listed six essential elements to being successful in Mexico:

- 1. Be prepared.** You are entering an unknown market. If you don't know how to start, there are some government resources to help U.S. and Canadian companies conduct business in Mexico. Both countries have commercial and trade offices in Mexico with crucial knowledge and resources to put you on the right path. Reach out to them for guidance and contacts as you can piggyback off their vast experience supporting exporting efforts. Next, you may want to participate in commercial trade missions organized by these entities to get to know the lay of the land.
- 2. Open your mind.** This isn't your father's Mexico. Yes, Mexico is known for being a fun and beautiful country, but manufacturing has come a long way. In fact, only Japan and Germany rival the state of the art manufacturing sites in Mexico in terms of safety standards, attention to detail, and expectations in perfection.
- 3. Have something unique and different to offer.** Six sigma quality and 100% on-time delivery are tickets to entry and not considered advantages anymore. Before you think about getting a piece of the action in Mexico, you need to fully understand what your company's unique value propositions are and how will those advantages will benefit your customers south of the border. In other words, why would a company in Mexico buy a product available locally? Yes, price is important, but so are other factors, such as inventory, logistics, product development. Know your strengths.

4. **4. Establish personal relationships.** To enter a stable business relationship in Mexico, your Mexican counterpart will want to know you on a personal level. Be ready to make a trip to Mexico and enjoy our hospitality as we show you our traditions, our country, and our culture, before closing any deal.
5. **Like the U.S. and Canada, there are regional differences in Mexico.** Understand Mexico is a big country (ranked 10th in population with 130M people, 14th in total area and 15th in GDP), and like many big countries, there are vast differences between regions. Not every part of Mexico is the same, and you do not conduct business in every region in the same way. Local customs and even regional vernacular such as dress code, weather conditions, and working hours matter.
6. **Don't give up!** The name of the game is patience and persistence. Be ready to quote, to offer samples, solutions. Be prepared to become reliable.

For more detailed advice on how to do business in Mexico and to get the best available market information, please visit our webpage www.mexicorepresentation.com and follow us on [LinkedIn](#).

Ricardo Malacara has an International Trade undergraduate degree from ITESM with an MBA from Central Michigan University. He has worked for over 20 years in the electronic and mechanical manufacturing areas in Guadalajara. Over these years, his areas of experience have been in operations, sales and materials management. This combination helps him better understand customers' needs. He has worked for Fortune 500 companies as well as startup companies so he understands what it takes to grow and keep a customer.