NMMA CANADA™

International Business Development Plan

discover BOATING®

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Executive Summary

The plan outlined below in detail was approved by the NMMA Canada board of directors initially in 2011 and updated and approved most recently on November 8, 2016. Major changes to the plan are not required as the end goal remains the same. The market conditions are changing and that has been considered by the export development committee.

The National Marine Manufacturers Association Canada (NMMA Canada) is a national, not-for-profit association that provides advocacy services to the recreational boating industry. There are approximately 80 NMMA Canada members and about 1400 NMMA members in the U.S. including major boat, accessory and engine manufacturers.

As the trade association representing the interests of the marine manufacturers, NMMA Canada is seeking from Global Affairs Canada funding support from the Global Opportunities for Associations (GOA) to stimulate cost-shared activities for the international marketing and promotion of Canadian recreational marine products.

There are a wide variety of small boat builders and a number of medium-sized manufacturers of recreational boats and accessories. The major export focus of most Canadian manufacturers is the large U.S. market – although some do have marketing presence in Europe and other global markets.

Previous work by NMMA Canada has documented that boat/trade show presence is critical for advancing brand recognition and preference among customers and developing distribution and marketing partnerships not only in developing markets but in all markets which have growth potential or are areas viewed as key recreational marine shows.

The NMMA has been supporting North American manufacturers with their international marketing/promotion for several years. This has involved sponsoring Canadian and U.S. pavilions at major international trade shows.

Canadian manufacturers, supported by NMMA Canada, need to continue to build up international market(s) awareness and perception of Canadian boats and marine products as having niche market value for products and brands in specific marketplaces (U.S./Europe/Middle East/Asia/Australia/South America) where the growth of the luxury market is expected to be strongest over the next decade.

NMMA Canada members have expressed the strong desire to attend new international trade/boat shows in an effort to expand their distributor/dealer networks and raise the ‘Canada-brand’ and company profile for Canadian-made products. Having received funding through GOA in years 2012-2015, NMMA member companies were able to explore the market in Eurasia, Asia and the Middle East. Distributor relationships were established at shows in Shanghai, Dubai, Sanctuary Cove and Eurasia Boat Shows. In order to expand further into these markets there is a renewed interest in returning and participating at shows in Amsterdam, Sanctuary Cove and Shanghai. Due to the timing of GOA's application process, it is difficult to plan appropriately for shows in the early part of the fiscal year (April-May). As such, we are not seeking support for the Shanghai show in April. More importantly, our first priority is to return to the Marine Equipment Trade Show (METS) in Amsterdam which is the premier business to business trade show for leisure marine accessories.

1. Sector Description

National Marine Manufacturers Association (NMMA) Canada is the national trade association representing manufacturers, importers and associate trade members of marine products in Canada and the U.S. NMMA Canada is a division of the U.S. based National Marine Manufacturers Association (a Delaware corporation). While we are a division of the U.S. association, **ALL** GOA funding received would be solely for the use of Canadian manufacturers and for the association activities in Canada. We have a headquarters in Canada and all of our members are Canadian who provide membership dues to us in Canadian dollars for Canadian activities and budget.

1.1. Organization History & Description

The National Marine Manufacturers Association Canada (NMMA Canada) is a national, not-for-profit association that provides advocacy services to the recreational boating industry.

Members of NMMA Canada are domestic and foreign companies that manufacture and/or distribute a variety of products used by Canadians as they go boating on our many lakes and rivers.

Our members' products include boats, engines, electronic navigation equipment, lifesaving products, accessories and parts for boats, and trailers. In addition, some members produce magazines or provide other services such as financing, dealers, marinas and insurance to boaters and the industry.

Boat manufacturers are required to participate in the NMMA Boat Certification Program which focuses on product safety and recognition to consumers.

There are about 80 current NMMA-Canada members including major boat, accessory and engine manufacturers.

NMMA-Canada activities involve:

- ✓ government relations at the local, provincial and federal levels;
- ✓ generic marketing and boating lifestyle promotion, such as "Discover Boating";

- ✓ sector statistical collection, dissemination and analysis;
- ✓ standards development and product certification; and
- ✓ international marketing/promotion of Canadian recreational marine products.

Global Affairs Canada funding support from the Global Opportunities for Associations (GOA) is sought to stimulate cost-shared activities related to this last activity: the international marketing and promotion of Canadian recreational marine products.

1.2. Sector Overview

Canada has over 4.3 million boats in use and has one of the world's highest rates of boat ownership. About 20% of Canadian households own at least one recreational boat. In 2015, 43% of Canadian adults participated in recreational boating at least once during the year – this equates to an estimated 12.4 million boaters. Canada's extensive coastal territory, inland water systems and lakes provide the opportunity for seasonal boating activities across a diverse range of natural beauty and marine environments.

The Canadian recreational boating industry – which NMMA Canada represents – is statistically captured across a range of North American Industry Classification System (NAICS) industries. The only specific NAICS manufacturing industry which is fully included within the scope of NMMA Canada is 336612 Boat Building.

Other NAICS manufacturing industries in which activity is undertaken related to recreational boating include:

- 326198 Other Plastic Product Manufacturing (e.g. plastic boats, life rafts);
- 332319 Other Plate Work and Fabricated Structural Products (e.g. boat sections);
- 332999 Other Miscellaneous Fabricated Metal Products (e.g. propellers, machining);
- 333920 Material Handling Equipment (e.g. boat lifts);
- 336215 Motor Home-Travel Trailer and Camper (e.g. boat trailers);
- 336990 Other Transportation Equipment (e.g. personal watercraft); and
- 339920 Other Miscellaneous (e.g. sailboards).

Sector data encompassing the entire scope of the Canadian recreational boating sector are difficult to obtain due to the sector's focus on marine/boating products and the NAICS focus on similar forms/materials used in the manufacturing process.

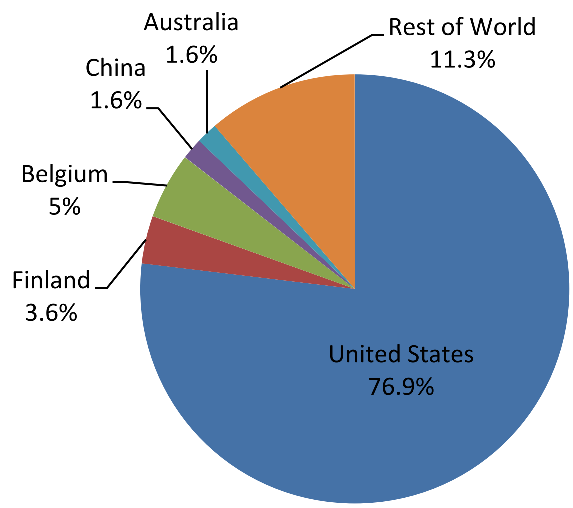
NMMA Canada estimates that the recreational marine industry accounts for about 67,000 jobs (directly and indirectly).

International Trade

Sector export value was $357.9 million (2015) – a 0.9% increase over 2014. The U.S. is the largest export market for Canadian-made recreational boats ($275.2 million), accounting for 76.9% of exports. Other sizable export markets include:

- Belgium ($17.9 million)
- Finland ($12.7 million)
- China ($5.9 million)
- Australia ($5.8 million)
- Russia ($3.7 million)
- Spain ($1.4 million)
- Turkey ($1.3 million)
- France ($877,276)
- Germany ($696,428)

Table 1 2015 CANADIAN BOAT EXPORTS

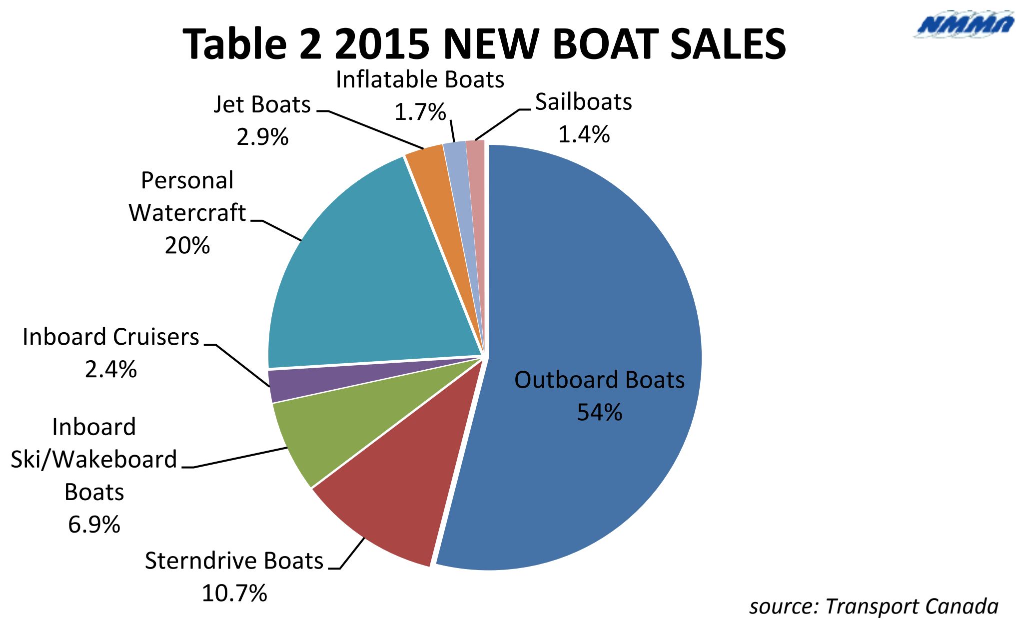


source: Statistics Canada

Sector import value was $1.03 billion (2015) –up 11.4% compared to 2014.
The U.S. is the largest import market for recreational boats ($769.3 million), accounting for 74.5% of imports. Other sizable importing countries include:

- Japan ($85.3 million)
- Mexico ($49.8 million)
- China ($31.3 million)
- France ($19.8 million)
- Germany ($13.1 million)
- Italy ($11.9 million)
- United Kingdom ($11.4 million)
- Sweden ($8.4 million)
- Turkey ($1 million)

Canadian recreational boating industry economic impact revenues were roughly $8.9 billion (2015) with the majority of this spent on recreational fishing boats and power boats.



1.3. Association Management & Resources

NMMA Canada is comprised of a Board of Directors of 18 members supported by a full-time Executive Director and two additional staff. A considerable amount of association activities are undertaken through Working Groups of association members.

NMMA Canada working groups are active in the areas of:

- Annual General Meeting planning and logistics;
- Sector communications;
- Customer Satisfaction Index (CSI) program;
- 'Discover Boating' sector marketing and lifestyle promotion;
- 'Discover Boating' fund-raising;
- Boat Engine technical/development issues
- Boat Financing issues;
- Government relations;
- Membership promotion;
- Sector statistics for Boats and Engines;
- Boating technical and certification issues; and
- International trade promotion.

The latter working group has directed the development of the NMMA Canada international development plan.

1.4. Association Finances

The financials are attached in a separate document.

2. Product Lines & Services

2.1. Breadth of Canadian Product Lines

There are a wide variety of small boat builders and a number of medium-sized manufacturers of recreational boats and accessories. The major export focus of most Canadian manufacturers is the large U.S. market – although some do have marketing presence in Europe and other global markets.

A profile of some Canadian manufacturers is provided below:

Company: **Campion Marine** (BC)
Product Lines: fibreglass boats: - 37 models across 'Allante', 'Chase', 'Explorer' and 'SVFARA' lines - 5.0m to 10.0m in length; from 90hp to 640hp; up to 12 persons
Exports: - U.S. market (25% of sales) - Other international (25% of sales)
International Activities: - Boat Shows in Scandinavia - European office in Denmark

Company: **BRP** (QC)
Product Lines: fibreglass personal-watercraft (PWC) and boats, and Evinrude engines: - 25+ models across 'Sea-Doo', 'Challenger', 'Sport' and 'Speedster' lines - 3.3m to 5.4m; 4-TEC engine with 1.5L displacement
Exports: - US market - manufacturing plant & strong presence - Other international – manufacturing in Europe and growing
International Activities: - Manufacturing in Canada, US, Austria, Finland and Mexcio - Sold in 90 countries with distributor network in 17 countries - BRP, headquartered in Valcourt QC, has global revenues of $2 Billion across its entire boating and other consumer/recreational products

Company: **Dock Edge** (ON)
Product Lines : dock and marine accessories, boat fenders and life rings
Exports: - U.S. market – extensive distribution throughout the U.S. - Other international – Europe
International Activities: Building distribution throughout the world (see article attached)

Company: **Canada Metal** (BC)
Product Lines: Martyr Anodes, Titan Chain, Autopilot Drives
Exports: International – 82%
International Activities: Manufacture facility in China; Building worldwide distributor network

Company: **Scepter Corporation** (ON)
Product Lines: OEM and Aftermarket portable marine fuel tanks, permanent (below deck) marine fuel tanks and a complete range of accessories including tank accessories, fuel filtration products, marine maintenance products, marine battery boxes, oil extractors, marine paints.
Exports: 20% of total marine sales (revenue) to the U.S. market. The Canadian market represents approximately 10% of sales revenue, with the balance being exported to 33 other countries through a network of sales channels / distributors
International Activities: niche market for midsize power boats from 18' through 26', as well as the smaller "cruiser" market up to 36'.expanding in niche markets for midsize boats (see article attached)

Company: **Xantrex** (BC)
Product Lines: AC power conversion and battery charging products for the marine, RV, truck, bus, ambulance, military & other speciality markets
Exports: Exports products to Europe, South America, Africa, Asia and Australia
International Activities: Xantrex employees walk the Caravan Salon show in Germany and exhibit at METS, Netherlands

2.2. Canadian Product Niches in Global Marketplace

Generally, Canadian boat builders are focused on several niches in the recreational boating market:

- small-to-medium-sized aluminum/fibreglass boats for fishing activities;
- small-to-medium-sized aluminum/fibreglass boats for sporting activities (e.g. water sports);
- personal-watercraft for sporting activities; and
- small-to-medium-sized fibreglass sports yachts/powerboats for cruising (with overnight onboard sleeping) including specialty boat builders.

All of these product offerings have international appeal.

3. Existing & New International Markets

3.1. Forecast Global Boating Growth

The global boat market is expected to grow to $25.2 billion in 2019. The major drivers for growth in global boat market are high replacement rate, change in technologies, increased boat size, and high net-worth population increase[1].

The U.S. and Europe dominate the global marketplace – but high growth rates are anticipated in the developing 'new power' (e.g. BRIC) countries. The Europe and Asia Pacific regions will contribute most to future growth.

In terms of unit shipments the North American boat market remains the largest global segment. The U.S. boat market in 2015 accounted for U.S. $8.6 billion in new boat sales, $2.9 billion in new outboard engine sales, $310 million in new boat trailers and $6 billion in aftermarket boating accessory sales. Total new boating products (boats, engines, trailers, accessories) in 2015 for the U.S. market equaled $17.8 billion. There were 243,600 new boats sold in 2015. In addition, U.S. boaters spent another $9.2 billion on boating services, repairs, storage, fuel, financing and insurance. This brings the total spending on new boating products and services to $27 billion. When including the retail value of pre-owned boats and engines ($8.9 billion) the total retail value of the U.S. recreational boating market in 2015 was $35.9 billion.

In 2015, U.S. exports of recreational boats and marine engines totaled $1.8 billion. Imports into the U.S. in 2015 were valued at $2.9 billion.

3.2. Key Global Markets

Due to costs we are unable to update this data every year, however, the information still presents a strong picture of key global markets relevant today. After North America, the European market is the largest with sizeable boating activity in Belgium, Italy, Germany, Norway, the UK and France (each of which may have new boat sales of around U.S. $1B with a further $500M in boating services and marine products/accessories). The only other market of equivalent size in the rest-of-the-world is likely China which has seen an increase in recreational boating imports and exports with Canada over the years.

Of the emerging markets with strong economic growth rates and a high ratio of income captured by the top 10% of income earners, the most viable markets for luxury boats and boating products are: UAE/Qatar; Brazil, Colombia, China, and India.

Other emerging markets of promise include Mexico, Russia, Turkey and Korea along with developed markets in Australia and Japan.

[1] Lucintel (2014) *Global* Recreational Boating Industry Analysis and Forecast 2014-2019.

Other fast growing and emerging markets lack some combination of population size and/or per capita income.

Table 3 – Key Global Markets for Recreational Boating

Country	Population (M)	GDP/Capita US$	GDP %Growth (10 yrs)	Boating Trends / Ownership / Estimated Market Size
North American Markets				
Canada	34	$46,000	1.9%	2.2M boats; bopc 1:15; istop10 25%
USA	309	$47,200	1.6%	17M boats; bopc 1:23; istop10 30%
NAmerica	*343*	*$47,100*	*1.6%*	*Maybe 19M boats* *US$7B new boat sales (570,000 units)* *US$3.5B boating services/accessories*
European Markets (ranked in terms of # boats)				
Italy	60	$34,000	0.2%	0.9M boats; bopc 1:65; istop 27%
Germany	82	$40,100	0.9%	0.8M boats; bopc 1:100; istop 22%
Norway	5	$84,500	1.5%	0.7M boats; bopc 1:7; istop 23%
UK	62	$36,100	1.4%	0.6M boats; bopc 1:100; istop 29%
France	65	$40,000	1.1%	0.6M boats; bopc 1:100; istop 25%
Sweden	9	$49,000	0.2%	0.3*M boats; bopc 1:30*; istop 22%
Netherlands	17	$46,900	1.4%	0.3M boats; bopc 1:65; istop 23%
Denmark	6	$56,000	0.6%	0.3M boats; bopc 1:15; istop 21%
Spain	46	$30,500	2.1%	0.3M boats; bopc 1:150; istop 27%
Belgium	11	$43,100	1.4%	0.2*M boats; bopc 1:65*; istop 28%
Finland	5	$44,500	1.9%	0.2*M boats; bopc 1:30*; istop 22%
Portugal	11	$21,500	0.7%	0.1*M boats; bopc 1:200*; istop 30%
Ireland	4	$47,200	2.6%	0.xM boats; bopc 1:125*; istop 27%
EU	*502*	*$32,000*	*1.3%*	*Maybe 5-6M boats* *US$7B new boat sales (400,000 units)* *US$3.5B boating services/accessories*
Middle East Markets (ranked in terms of estimated # boats)				
UAE	8	$39,600	4.3%	0.15*M boats; bopc 1:50*;
Qatar	2	$61,500	13.2%	0.05*M boats; bopc 1:50*; istop 36%
Kuwait	3	$41,400	7.2%	0.05*M boats; bopc 1:50*;
Israel	8	$28,500	3.1%	0.05*M boats; bopc 1:200*; istop 29%
Saudi Arabia	27	$15,800	3.2%	0.05*M boats; bopc 1:400*;
Oman	3	$17,300	4.8%	0.01*M boats; bopc 1:400*;
Bahrain	1	$17,600	6.5%	0.xM boats; bopc 1:400*;
ME&NAfrica	*382*	*$6,500*	*4.3%*	*Maybe 0.3M boats* *US$1B new boat sales (50,000 units)* *US$0.5B boating services/accessories*
Latin American & Caribbean Markets (ranked in terms of estimated # boats)				
Brazil	195	$10,700	3.6%	0.5*M boats; bopc 1:400*; istop 42%
Mexico	113	$9,100	1.8%	0.3M boats; bopc 1:400*; istop 41%
Venezuela	29	$13,600	1.7%	0.1*M boats; bopc 1:400*; istop 33%
Argentina	40	$9,100	4.3%	0.1*M boats; bopc 1:400*; istop 34%
Chile	17	$12,400	3.7%	0.05*M boats; bopc 1:400*; istop 42%
Puerto Rico	4	$17,700	5.6%	0.01*M boats; bopc 1:400*;
Uruguay	3	$12,000	3.2%	0.01*M boats; bopc 1:400*; istop 33%
Costa Rica	5	$7,700	4.2%	0.01*M boats; bopc 1:500*; istop 39%
Panama	3	$7,600	6.0%	0.01*M boats; bopc 1:500*; istop 40%
LA&Caribbean	*589*	*$8,800*	*3.3%*	*Maybe 1.0M boats*

Table 3 – Key Global Markets for Recreational Boating				
Country	**Population (M)**	**GDP/Capita US$**	**GDP %Growth (10 yrs)**	**Boating Trends / Ownership / Estimated Market Size**
				US$1B new boat sales (50,000 units) *US$0.5B boating services/accessories*
Other Europe & Central Asia Markets (ranked in terms of estimated # boats)				
Greece	113	$26,600	2.1%	0.8*M boats; bopc 1:150*; istop 26%
Russia	142	$10,400	4.8%	0.4*M boats; bopc 1:400*; istop 33%
Turkey	73	$10,100	3.9%	0.2*M boats; bopc 1:400*; istop 33%
Poland	38	$12,300	3.9%	0.1M boats; bopc 1:400; istop 27%
Hungary	10	$12,800	2.0%	0.02*M boats; bopc 1:600*; istop 25%
Cyprus	1	$28,800	2.8%	0.01*M boats; bopc 1:150*;
Slovenia	2	$22,800	2.7%	0.01*M boats; bopc 1:400*; istop 25%
Czech Rep	10	$18,200	3.2%	0.01*M boats; bopc 1:600*;
Slovak Rep	5	$16,000	4.8%	0.01*M boats; bopc 1:600*;
Croatia	4	$13,700	2.7%	0.01*M boats; bopc 1:400*; istop 27%
Lithuania	3	$10,900	4.4%	0.01*M boats; bopc 1:300*; istop 29%
Latvia	2	$10,700	3.7%	0.01*M boats; bopc 1:300*; istop 28%
Estonia	1	$14,300	3.9%	0.xM boats; bopc 1:300*; istop 28%
Eur&Cen-Asia	*890*	*$22,500*	*1.6%*	*Maybe 1.5M boats* *US$1B new boat sales (50,000 units)* *US$0.5B boating services/accessories*
East Asia & Pacific Markets (ranked in terms of estimated # boats)				
China	1,338	$4,400	10.5%	1.3*M boats; bopc 1:1000*; istop 31%
Australia	22	$42,100	3.1%	0.5*M boats; bopc 1:40*; istop 25%
Japan	127	$42,800	0.7%	0.4M boats; bopc 1:300; istop 22%
Korea Rep	49	$20,800	4.1%	0.4M boats; bopc 1:300; istop 22%
Indonesia	240	$3,000	5.2%	0.2M boats; bopc 1:1000*; istop 30%
Malaysia	28	$8,400	4.6%	0.1*M boats; bopc 1:500*; istop 35%
New Zealand	4	$29,300	2.4%	0.1*M boats; bopc 1:100*; istop 27%
Hong Kong	7	$31,800	4.0%	0.xM boats; bopc 1:400*; istop 35%
Singapore	5	$41,100	5.6%	0.xM boats; bopc 1:300*; istop 33%
E-Asia&Pacific	*2,201*	*$7,351*	*3.7%*	*Maybe 3M boats* *US$2B new boat sales (150,000 units)* *US$1B boating services/accessories*
South Asia Markets (ranked in terms of estimated # boats)				
India	1,170	$1,500	7.7%	0.6*M boats; bopc 1:2000*; istop 31%
Pakistan	174	$1,100	4.6%	0.08*M boats; bopc 1:2000*; istop 28%
Sri Lanka	21	$2,400	5.2%	0.01*M boats; bopc 1:2000*; istop 33%
S-Asia	*1,579*	*$1,323*	*7.1%*	*Maybe 0.7M boats* *US$0.5B new boat sales (25,000 units)* *US$0.3B boating services/accessories*
World Market				
World	*6,840*	*$9,227*	*1.2%*	*Maybe 30M boats* *US$19B new boat sales (1,300,000 units)* *US$10B boating services/accessories*
Sources: World Bank: Population, GDP/capita, GDP % real growth (US$constant); ibinews: boating trends (# boats and bopc = boat ownership per capita); World Bank: istop10 = income share of top 10% of population. * estimate/guess				

Some examples of where there is market potential include:

In China, a recent report outlined that boat ownership would increase from 1,500 units to 100,000 in the next decade. In 2008, there were 300 high end yachts in use with the number continuing to grow. The market in China is worth $7-14 billion U.S. Our delegation to the Shanghai boat show in 2014 showed us that the growing middle class in China is significant and as such the potential for growing recreational boating could be large. The two marine trade associations of China are actively engaging with their international colleagues to learn about recreational boating. At the show in 2014, NMMA's Canadian and U.S. heads were speakers at their boating conference to educate the business and academic community in China about how to expand and grow the industry. (Brochure attached with application showcasing some of the successes of the 2014 show). Due to the timing of the grant process it is impossible to secure funding in the appropriate time for the Shanghai which can be an issue for some of our members. However, we will have 3 companies continuing to participate in Shanghai.

As a developed & sophisticated market with familiar business norms and a common language, Australia is a relatively easy market for small Canadian companies to enter. Situated in Australia's leading leisure boat building region, Sanctuary Cove International Boat Show attracts visitors from around the world.

The annual four-day event is staged at Sanctuary Cove in the tourism region of the Gold Coast, within the State of Queensland in Australia. For over two decades the show has been recognized as an essential event for the marine industry's national and international marketing. More than 400 exhibitors showcase hundreds of power and sail boats and a wide array of marine products and services. What sets the show apart is the quality of international and national buyers and delegations who attend.

Products and services displayed include super yachts, luxury cruisers, power and sail multihulls, trailerable craft, engines, electronics, marine materials and equipment, marine finance, designers and businesses providing services to the industry sector.

3.3. Global Market Preference.

There is a strong opportunity to sign new distributors in Australia for our Canadian companies.

The global boating market is experiencing an ongoing shift in product mix toward larger and more expensive boats (i.e. high-end) in Asia and the Middle East. Generally, Canadian manufacturers are more focused on smaller boats in the range of 3.7m-14m.

High-end luxury boats rely on lifestyle marketing, brand name cache and quality finish, and appointments/equipment and power. This segment of the global market is not price sensitive to demand – and values higher prices as a sign of superior quality.

Only a few Canadian medium-sized and specialty boat builders have a presence in the luxury market with smaller (10-14m) luxury sports yachts and powercraft with onboard sleeping accommodations. Access to some of the markets mentioned above will allow

Canadian manufacturers to expand in this segment. For marine products, the quality of Canadian made is the luxury angle.

3.4. U.S. & International Boat Shows

Previous work by NMMA Canada has documented that boat show presence is critical for advancing brand recognition and preference among customers, as well as developing distribution and marketing partnerships in developing markets.

Table 4 – Motivation for Participation in Boat Shows		
Reason	**Primary**	**Secondary**
Attract Customers	100%	na
Compete for Market Share	85%	15%
Introduce New Product Lines	62%	31%
Assess the Competition	15%	69%
Identify New Product Offerings	0%	54%
Source: Genesis Research / Smith Gunther Associates (2007)		

Major U.S. and international boating exhibitions/shows are held in:

Table 5 – US & International Boat Shows		
Exhibition/Show	**Location**	**Focus**
1. USA Boat Shows		
International Boatbuilders' Exhibition and Conference (IBEX)	Louisville KY	Boats/Accessories (5,000 ind-reps) www.ibexshow.com
Miami International Boat Show	Miami FL	Power boats (104,000+ visitors) www.maimi.boatshow.com
Seattle Boat Show	Seattle WA	Power boats (62,000 visitors) www.seattleboatshow.com
New York Boat Show	New York NY	Power/sail boats (45,000 visitors) www.nyboatshow.com
Numerous Regional Boat Shows	Various States	
2. International Boat Shows		
Dubai International Boat Show	Dubai UAE	Boats and boat accessories (23,000+ visitors) www.boatshowdubai.com
Dusseldorf Boot	Dusseldorf GER	Power boats (400,000+ visitors) www.boat-dusseldorf.com
Salon Nautico - Genoa International Boat Show	Genoa ITL	Power boats (325,000 visitors) www.salonnautico-online.it
Salon nautique international de Paris	Paris FRA	Power boats (270,000 visitors) www.salonnatiqueparis.com
Salon Nautico – Barcelona International Boat Show	Barcelona ESP	Power boats (165,000 visitors) www.salonnautico.com
Hanseboot	Hamburg GER	Power boats (150,000 visitors) http://hanseboot.de/en
Tullett Prebon – London International Boat Show	London UK	Power boats (145,000 visitors) www.londonboatshow.com

Table 5 – US & International Boat Shows

Exhibition/Show	Location	Focus
Nautic Sud International Boat Show	Naples ITL	Power boats (135,000 visitors) www.nauticsud.info
CNR - Eurasia Boat Show	Istanbul TUR	Power boats (135,000 visitors) www.cnravrasyaboutshow.com
Korea International Boat Show (KIBS)	Ansan City KOR	Power boats (130,000 visitors) www.koreaboatshow.org
Allt for sjon – Stockholm International Boat Show	Stockholm SWE	Power boats (112,000 visitors) www.alltforsjon.se
PSP - Southampton International Boat Show	Southampton UK	Power boats (110,000 visitors) www.southamptonboatshow.com
Helsinki International Boat Show	Helsinki FIN	Power boats (90,000 visitors) www.finnboat.fi/en
Melbourne Boat Show	Melbourne AUS	Power boats (40,000 visitors) www.biavic.com.au
Salon Nautico – Argentina Boat Show	Buenos Aries ARG	Power boats www.cacel.com.ar
Boat Asia	Singapore SNG	Power boats www.boat-asia.com
Moscow Boat Show	Moscow RUS	Power boats www.mosboatshow.ru
Sjoen for alle – Norway International Boat Show	Lillestrom/Oslo NOR	Power boats (36,500 visitors) www.norboat.no
Marine Equipment Trade Show (METS)	Amsterdam NED	Boat and marine equipment (20,000 visitors) www.metstrade.com
HISWA – Amsterdam Boat Show	Amsterdam NED	Power boats (50,000+ visitors) www.hiswarai.nl
JBIA - Japan International Boat Show	Yokohama City JAP	Power boats (50,000 visitors) www.marine-jbia.or.jp/english/
Mumbai International Boat Show	Mumbai IND	Power boats (15,000+ visitors) www.mumbaiboatshow.com
China International Boat Show	Shanghai CHN	Power boats (16,000+ visitors) www.boatshowchina.com
Nauticampo – International Fair of Lisbon	Lisbon POR	Power boats (47,000 visitors) www.nauticampo.fil.pt
Rio Boat Show	Rio de Janeiro (BRA)	Power boats www.rioboatshow.com.br
Sao Paulo Boat Show	Sao Paulo (BRA)	Power boats www.boatshow.com.br

Source: IBI Calendar (ibimews.com); IFBSO.com

3.5. NMMA Canada Support at International Boat Shows

The NMMA has been supporting North American manufacturers with their international marketing/promotion for several years. This support has involved sponsoring Canadian and U.S. pavilions at major international trade shows with direct participation and/or representation by NMMA members.

As part of its existing international development plan over the last several years, NMMA Canada has supported Canadian manufacturer presence at the important Marine Equipment Trade Show (METS) in Amsterdam. NMMA Canada has typically encouraged Canadian marine product manufacturers to participate at this important European trade show for marine suppliers. The recent METS trade show (2016) had record attendance and NMMA Canada supported Canadian attendance through staff-time for logistics/coordination, administration of a joint 'Canada' branded booth and exhibit space. NMMA will continue to support companies at this show. NMMA Canada has active engagement with the trade commissioners for transportation at the Canadian embassy in the Netherlands.

As part of the balance of the five year plan, NMMA Canada seeks to build on this success by encouraging Canadian manufacturing/boatbuilding attendance at additional key boat/ trade shows in key target markets (e.g. Europe / Asia-Pacific / Australia). NMMA Canada is seeking, with assistance from Global Affairs Canada/GOA, to support Canadian manufacturers at selected major international boat shows.

3.6. Marketing Strategies

Product marketing and customer service have become increasingly important to manufacturers and dealers. Effective marketing is essential to create a unique position for a particular product line and to attract new customers. Marketing efforts increasingly focus on reaching demographic groups that were previously infrequent purchasers of recreational boats (e.g. women and minorities). The demographic of boat purchasers is changing with the aging population – with many more purchasers in the 55+ age category (although likely to be repeat buyers)[2].

Boat manufacturers are broadening their advertising placement to non-boating recreational magazines, with the reason being that people who spend money on other types of recreation might also be interested in boating.

Some companies have changed their corporate culture from a cost-plus, engineering-driven firm to a more market-oriented company in order to compete better.

The supply chain for new boats has relied heavily on boat builder relationships with dealers with offers of retail co-op money for local advertising. The vast majority of

[2] Much of this section draws on: Centre for Competitive Analysis (2000) *US Boatbuilding and Repairing Industry.*

recreational boating products are sold through retail establishments, which receive the products, either directly from OEM or through a wholesale distributor.

This traditional distribution channel is being influenced by the internet and attempts by boat builders to create greater direct brand connection with customers (using on-line catalogues and customer services). This web presence is supplementing the importance of boat shows which were the traditional venue for direct manufacturer-consumer interaction. NMMA Canada has supported this web presence through the 'Discover Boating' website.

After-sales service is also a method for building customer loyalty as long-term success in this industry requires replacement purchases, which account for the majority of sales. Consumer research shows that both new and pre-owned boat purchasers are looking for higher levels of service from builders and retailers. Leading boat builders/distributors are working more closely together to deliver more positive experiences.

Boat repair service has sometimes been a weak part of the industry with delays of several days for repairs. Improving customer satisfaction for boat repair processes is critical for improved service. Towing service membership is being marketed by boat makers as a value-added service in order to make the impression that problems in new boats are uncommon. Providing towing service membership in new boat sales is a means of assuring satisfaction after the sale. Boat builders are improving manufacturing quality-control procedures to avoid (or reduce) the need for some repair services.

Consumer brand loyalty, if strong, can pose a significant entry barrier and sustain higher prices and profitability. Extensive advertising and marketing, or other kinds of sales promotions, is often required to develop customer brand loyalty and demands that new entrants and competitors must invest comparable resources to overcome an incumbent's brand loyalty and establish a new brand.

Business profitability depends on the overall competition in an industry and the position of a company relative to its rivals. A business has little control over the general degree of competition in its industry but can take strategic actions to position itself favourably relative to its rivals and thereby influence its profitability. Businesses that earn profits above the industry average typically do so because they find a sustainable competitive advantage. This advantage allows such firms to position themselves relative to their rivals in ways that emphasize their relative strengths; and this in turn allows them to better cope with the various forces of competition.

Generally, there two broad strategies to achieve competitive advantage:

1. cost leadership; and 2. product differentiation.

Cost leadership is difficult for Canadian manufacturers to achieve – given high labour costs (relative to third world countries) – and often require significant R&D in process development to achieve for non-labour costs.

Product differentiation relies on a combination of product design/engineering and marketing to create a unique identity and image through key characteristics that are considered valuable by buyers. A business needs to find attributes that buyers perceive as important and position itself to meet those needs. These attributes may be broadly defined including the product or service itself, the delivery system used, the marketing channel itself, and the marketing approach adopted.

To succeed with a differentiation strategy, a business must choose attributes which allow it to be perceived as distinct from its rivals. Product differentiation also requires market segmentation so that particular product characteristics can be emphasized to a target market that values these particular characteristics. Target markets can be segmented by income levels, frequency of purchase, knowledge of the product etc.

Some of the key questions relating to a target market segment are:

a) Are products/services produced for this segment standardized? (If so, then the dominant product characteristic will be price)

b) Can product/service attributes and quality be readily perceived by the buyer prior to purchase? (If so, then products can be judged as acceptable, or not, and price sensitivity will be high).

c) Are buyers extremely price sensitive and unwilling to pay a premium for enhanced quality and/or image? (If so, then price sensitivity will remain high).

d) Are buyers willing to pay a premium for enhanced quality and/or image? (If so, then price can be signal of quality).

Canadian manufacturers must ensure that they can either:

- **remain cost/price competitive in target markets for which there is substantial price sensitivity (e.g. U.S. fishing/sports small boat market); and/or**

- **develop a premium quality/image in target markets for which there is substantial price reward (e.g. international luxury small cruiser/power boat market).**

Segments displaying high price sensitivity offer little scope for creating value to buyers through product differentiation efforts. Successful firms will be those that manage to achieve minimum cost in serving this type of target segment.

Product differentiation is a more viable strategy in target market segments where there is a strong preference and price premium for perceived high quality and/or image that can be achieved through product design and marketing.

4. International Business Development Plan

Canadian manufacturers, supported by NMMA Canada, need to build up international market(s) awareness and perception of Canadian boats and marine products as having niche market value for products and brands in specific marketplaces (U.S./Europe/Middle East/Asia/ Latin American/Australia) where the growth of the luxury market is expected to be strongest over the next decade.

4.1. Five-Year International Business Development Strategy

The five (5) year *International Business Development Strategy* for 2013-18 involves the following components:

Table 6 – NMMA-Canada
International Business Development Strategy (2013-18)

Five-Year Plan	Strategic Objective & Activities
Year 1 (2013-14)	Increase Canadian Participation at International Trade Show(s). Targets include: - 5-10 Canadian manufacturer attend relevant shows - 10-15 new distributor leads - 5 enhanced distributor relationships
Year 2 (2014-15)	Develop More Partnerships at new and already visited International Trade Show(s). Targets include: - 5-10 Canadian manufacturer attend relevant shows - 10-15 new distributor leads - 5 enhanced distributor relationships
Year 3 (2015-16)	Strengthen Partnerships at International Trade Show(s) already visited to broader exposure. Targets include: - 5-10 Canadian manufacturer participants - 220 new distributor leads - 10 enhanced distributor relationships
Year 4 (2016-17)	Develop More Partnerships at International Trade Show(s). Targets include: - return to international trade/boat shows (METS & Sanctuary Cove) & one without GOA support (Shanghai) 6-12 Canadian manufacturer participants - 220 new distributor leads (potentially more) - 20 enhanced distributor relationships
Year 5 (2017-18)	Develop More Partnerships in New Market(s) at International Trade Show(s). Targets include: - Same two or three shows - 10 Canadian manufacturer participants

	- 20 additional new distributor leads - 10 enhanced distributor relationships

4.2. Strategic Partnerships

Most Canadian boat builders and marine product manufacturers rely on a distributor/dealer network sales channel to access export markets in terms of marketing, advertising, dealer finance and specific knowledge of targeted consumer and industrial market segments and the socio/psycho-graphics of prospective buyers.

Development of new export markets involves:

a) New Market Awareness of Presence/Capabilities/Value

- planting a Canadian flag on a new sales territory
- educating the new market about Canadian manufacturing strengths (technical, business, product quality, brand)
- getting to know the export market
- getting to know key dealer/distributor participants

b) Development of New Relationships

- getting to know the structure of business in the new market (culture, business practices, regulatory regime, import requirements)
- developing new contacts in export market
- building initial face-to-face relationships and hospitality
- networking to develop intelligence on new contacts and their perception/success within the new market

c) Deepening New Relationships

- follow-up with new contacts and exploration of strengths/weaknesses and potential mutual gains from partnership;
- due diligence related to financial/contractual/customer satisfaction performance
- exploration of partnership arrangements – possible contractual terms and responsibilities and management of commercial risks

d) Execution and Management of Partnerships

- establishment of partnership contract – with legal, financial, performance terms and management of commercial risks
- ongoing relationship management related to sales volume/financial/customer satisfaction performance

Opening New Dealer/Distribution Channels[3]

The single most important criterion is 'potential income' to be earned by the Canadian manufacturer and distributor/dealer in the new export market. This is typically a function of[4]:

A. market size/value (i.e. X potential buyers * Y% motivated buyers * Z$ sales per buyer);

B. realistic expected market share (i.e. P% dealer coverage in market * R% dealer sales success in market segment);

C. realistic expected sales volume (i.e. A * B from above);

D. gross margin (i.e. GM% of retail/wholesale sales price through dealer network); and

E. distribution of 'surplus' between the Canadian manufacturer and foreign distributor (D% vs C% share of Gross Margin generated from dealer sales, where 1 = D% + C%).

Potential Income (Canadian Exporter) =

$$(X * Y\% * Z\$) * (P\% * R\%) * GM\% * C\%$$

Potential Income (Foreign Distributor) =

$$(X * Y\% * Z\$) * (P\% * R\%) * GM\% * (1-C\%)$$

Not surprisingly, the potential income is heavily dependent on:

- market size and wealth variables (X, Y%, Z$) – which are influenced by lifestyle marketing, economic growth, per capita income and wealth distribution in terms of High Net-Wealth/Income (HNWI) population;

- dealer prominence and market presence (P%, R%) – which are influenced by history, marketing variables and dealer-branding;

- product profitability (GM%) – which is influenced by Canadian exporter cost profile, marketing variables, international competition and 'Canada'/manufacturer-branding; and

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[3] Some of this section draws on: Forte Consulting *Where are Your Dealers - Optimizing the Dealer Network* (http://bx.businessweek.com/marketing-optimization--analytics/view?url=http%3A%2F%2Fforteconsultancy.wordpress.com%2F2009%2F01%2F16%2Fwhere-are-your-dealers-optimizing-the-dealer-network%2F)

[4] © Virtuosity Consulting

- Canadian manufacturer/foreign distributor negotiations and contractual arrangements (C%, D%) – which are influenced by trade-offs between desire to enter a new market, volume targets, incentive structure, relative negotiating advantages etc.

There are important feedbacks and trade-offs in the Canadian manufacturer/foreign distributor relationship which make the above exercise a potential win-win partnership. Canadian manufacturer strength and brand-appeal will tend to push up Z$ (i.e. relevant to the Canadian manufacturer) GM%, R% and C%; while foreign distributor strength will tend to push up P%, R%, GM% and D%. As there are mutual gains to both the Canadian manufacturer and foreign distributor from the jointly beneficial impact of gains to P%, R% and GM% -- these can moderate the zero-sum negotiations between C% and D%=(1-C%).

Each party to the Canadian manufacturer/foreign distributor relationship must bring strengths to ensure a win-win commercial partnership.

Canadian manufacturers should attempt to estimate their potential income from the basket of products and services they intend to sell, conducting this analysis at the lowest level possible (i.e. product SKU, region/city level if possible). This can be done by utilizing a combination of data sources, including socio-economic attributes, demographic analysis, income levels, population trends, and product / service uptake ratios and adoption curves.

Table 8 – Optimizing the Dealer Network (4-Step Approach)

Source: Forte Consulting *Where are Your Dealers - Optimizing the Dealer Network*

Step 1 – Defining the Potential Analysis Variables

Strategic factors that may influence rollout or revision plans must be considered. Such factors include: the introduction of a new product in the coming months, or the prioritization of a specific geography for prestige purposes. Once strategic decisions are made, variables and data sets that will serve as the inputs for the potential analysis must be compiled – i.e. past sales figures of dealers, socio-economic data, populations trends, sales projections for new products to be introduced into the pipeline, etc.

Step 2 – Conducting the Potential Analysis

The potential analysis consists of estimating the potential revenues from the pool of products and services down to the lowest product category and geographic level possible. New products and services that may cannibalize the sale of existing products and services must be considered and built into the model. As part of the analysis, modeling needs to be conducted for all regions and locations, not just for those places where dealers exist today (so as to see and possibly capitalize on under-served areas).

Step 3 – Optimizing the Dealer Network

Optimizing the dealer network involves an understanding of threats/weaknesses and opportunities/strengths in the marketplace in terms of both the Canadian manufacturer and foreign distributor. This may include, for example, the minimum amount of revenues a dealer must make in order to survive in a given region or location, the costs to support a dealer, total maximum number of dealers if any, etc. Such analysis helps to assess the appropriate number of dealer partnerships to develop within a new market so as to maximize revenues with a given set of products, services and other marketing parameters.

Step 4 – Planning Market Entry/Expansion

Planning the market entry/expansion requires a review of existing dealer performance (strengths/weaknesses) and potential for new (incremental and/or replacement) dealers the new network. A variety of factors are used to make these decisions: dealer location and proximity to desirable locations/consumers, past performance, sales-orientation, management abilities, etc. Review of existing dealers and evaluation of new dealers by regional management is critical at this stage. A ‘transition road map’ should be designed to detail and assign roles and responsibilities around making the change happen. As part of this planning, the impact of the changes on the customer, the dealer, and management should be considered, keeping available resources in mind and setting realistic targets.

4.3. Action Plan for 2016-17

Building on the success of NMMA Canada trade missions to the Eurasia, Dubai, Shanghai, Amsterdam (METS) and Sanctuary Cove Shows in the past, members have expressed the strong desire to go back to METS, Sanctuary Cove and Shanghai in an effort to expand and further entrench their distributor/dealer networks and raise the ‘Canada-brand’ and company profile for Canadian-made products. In addition to the above mentioned activities which have been supported by GOA, the association actively engages with the industry and provides export development support outside of GOA. The entire industry is offered the opportunity to work with us and participate in our export plan.

Our Action Plan for 2016-2017 includes returning to METS under a Canadian pavilion with at least four new companies as top priority. We will also return to the Sanctuary Cove Boat Show with two new companies exhibiting and one walking the show. Finally, three companies will return to the Shanghai Boat Show. We will only be requesting funding for METS and the Sanctuary Cove Boat Show. There is a lot of potential within the growing Chinese recreational boating market as demonstrated and discussed above, but due to the timing of the grant process it is impossible to secure funding in the appropriate time period for Shanghai. It still remains a key market for both Canadian recreational boating imports and exports.

We continue to focus efforts towards the Marine Equipment Trade Show (METS) in Amsterdam which happens every November. It is the world's largest B2B leisure marine equipment show. The show again was sold out in 2016 and saw over 22,000 visitors, 175 international journalists and over 100 countries represented. There were six Canadian companies within the Canadian pavilion and an additional five outside of the pavilion. The Canadian exhibitors also had the opportunity to meet with the Canadian embassy. Judith Baguley, Trade Commissioner Embassy of Canada, and Sameena Qureshi, Senior Trade Commissioner, both walked the show and spoke with the Canadian exhibitors. Also, we would like to point out that with the recent Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union, there is potential for greater exports of Canadian made recreational boating products.

Our plan focuses on the goal to provide opportunities to Canadian companies to sell more products outside of North America, allowing them to expand through new distributors which in turn will create jobs in Canada as the manufacturing and support for it expands locally. The goal also is to see more Canadian companies exhibiting at METS and other shows on their own to gain market share.

Trade shows (B2B) are about gaining new distributors and customers. As an example, those who attend METS found that it took nearly five years to be taken seriously at the show. Namely, that means that those who come to see the exhibitors want to make sure that they are established and able to come back every year. Once the relationship is established it is maintained by seeing each other every year at the show. Companies who attended Shanghai in 2014-2016 found that is likely the same concept for that market and show. Shanghai is an emerging market and the show is growing and while a number of good leads were established attending and exhibiting the first year, those same distributors and potential customers will return to further entrench a relationship. After a number of years, the Canadian companies will be known and will have had the ability to establish local distributors.

We will once again focus our efforts on the Sanctuary Cove Boat Show in Australia. A common language also makes it easier for Canadian companies to enter this market. There will be three companies attending. Two companies will be exhibiting at the show and one will walk the show to meet with distributor leads and clients. It must be noted that NMMA Canada was asked to speak at a leisure marine conference immediately before the show. The speech will allow us to profile Canada and the Canadian recreational boating market. There is great potential for Canadian recreational boating exports to Australia. Observing 2013 statistics, exports were $21.1 million. This amount decreased to $5.8 million in 2015. This tells us the market potential is there for Australia but requires a greater Canadian presence which may have weakened over 2014-2015.

NMMA communicates to the entire marine industry our plans and efforts on behalf of Canadian marine companies. Executive Director, Sara Anghel, has written several articles about the GOA funded opportunities and also given several speeches heard by several hundred industry participants.

The Action Plan for 2016-19 to be financed in part through Global Affairs Canada GOA Funding includes:

Table 9 – NMMA Canada Action Plan (2016-19) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
<u>Year 1 (2016-2017)</u>	Further extend reach at International Trade Show(s). Return to Amsterdam (METS) with new exhibitors and Australia with new exhibitors **with** GOA support to exhibit and walk the show. Return to Shanghai **without** GOA support to exhibit at the show either directly as manufacturer or through local distributors. Like the previous year there will be maintenance of existing NMMA Canada and company business development in U.S. markets (IBEX participation) using existing resources. <u>Incremental activity to facilitate market entry for new companies through participation at international trade/boat show (Australia): The group anticipates that they will conduct some site visits to marinas, dealers and local distributor facilities to gain more insight into the market along with developing new leads and partners. Incremental activity for MET Amsterdam – 4 new companies exhibiting.</u> For METS: 190 new leads with 50 potential partners; For Sanctuary Cove: 30 new leads with 5 potential partners; For Shanghai – 20 leads with 10 potential partners **(This information is detailed in the online application in the performance section)** <u>GOA funding in FY2016-17 sought – to be matched by NMMA Canada with participating company contributions for METS and Sanctuary Cove shows.</u>

Table 9 – NMMA Canada Action Plan (2016-19) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
	Goals/Motivations: As mentioned above returning is important to establishing long term relationships. Goals and motivations remain the same as 2015-2016 with the opportunity to expand on these relationships. The reasons for these markets: Marine Equipment Trade Show (Amsterdam): We continue to focus efforts at the Marine Equipment Trade Show (METS) in Amsterdam which happens every November. It is the world's largest B2B leisure marine equipment show. The show again was sold out in 2016 and saw over 22,000 visitors, 175 international journalists and over 100 countries represented. The Canadian exhibitors had the opportunity to meet with the Canadian embassy. Judith Baguley, Trade Commissioner Embassy of Canada, and Sameena Qureshi, Senior Trade Commissioner, both walked the show and spoke with the Canadian exhibitors. Also, we would like to point out that with the recent Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union, there is potential for greater exports of Canadian made recreational boating products. Australia: Sanctuary Boat Show which for two decades has been recognized as an essential event for the marine industry internationally. 400 exhibitors and quality international buyers attend the show. New this year: Two new companies will be exhibiting, one will walk the show and the group will engage at the show in a networking reception. NMMA Canada will be speaking at a conference immediately before the show showcasing the Canadian market. Shanghai: The Chinese yachting market has developed rapidly over the years, with several businesses diversifying into leisure boat building by taking a controlling interest in major European brands. The China (Shanghai) International Boat Show (CIBS) is a showcase for the whole yacht industry supply chain including the boats, equipment, research, development and design materials and parts, all the way through to yacht clubs, marinas and training. Further to this, local governments across China are beginning to see the wider benefits of the leisure boat industry with 41 smaller and regional boat shows around the country. However, these regional shows cannot compare to the size, scope and influence of the China (Shanghai) International Boat Show. The middle class Chinese population is growing and the boating associations in China are very keen to expand

Table 9 – NMMA Canada Action Plan (2016-19) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
	boating in the country. NMMA spoke at the 2014 show to offer insight into the Canadian boating industry. The one day conference was created to educate the local leaders how to develop boating in China. This presents a great opportunity for Canadian products which are viewed as high quality by the Chinese. The Choice: These shows all proved to be great leads. Distributor relationships developed in the past need to be further expanded and new relationships need to be established. Targets include: - Return to Amsterdam, Australia & Shanghai - 6-12 Canadian manufacturer participants - 220 new distributor leads Level of Participation: - 10 companies exhibit at Amsterdam - 4 new exhibitors - 3 companies exhibit at Shanghai show - 2 companies attend Australia with Canadian products on display and 1 company will walk the show - Organize meetings with local distributors onsite at shows - Organize for local embassy to assist group on the ground before and during the show. - Marketing and communications - NMMA Canada will be speaking at a conference for Sanctuary Cove Boat Show. Speech will profile Canada and the Canadian market. - NMMA Canada actively engages with media to ensure coverage of the Canadian exhibitors at METS
Year 2 (2017-2018)	Return to all three shows: Amsterdam, Australia and Shanghai with same companies and any new companies wishing to learn about the market. As mentioned at the beginning of section 4.3 – it takes a number of years to establish a long term trusted relationship with distributors and build them as solid customers – **returning for a few years in a row is key to establishing this trust and learning about a very different market than Canada.** Targets include: - Return to Amsterdam, Australia and Shanghai - 6 to 12 Canadian manufacturer participants - Maintain existing distributor relationships/leads - Strategic plan developed to access the value of the years invested into the shows and if returning on a more permanent level like METS is warranted.

Table 9 – NMMA Canada Action Plan (2016-19) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
	Level of Participation - Exhibit at the shows through local distributors where possible. - 6 to 12 Canadian manufacturer participants - Maintain existing distributor relationships/leads Communications: - Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the three events.
<u>Year 3 (2018-2019)</u>	Targets include: - Return to Amsterdam, Australia and Shanghai - 8 to 14 Canadian manufacturer participants - Maintain existing distributor relationships/leads - Strategic plan developed to access the value of the years invested into the shows and if returning on a more permanent level like METS is warranted. Level of Participation - Exhibit at the shows through local distributors where possible. - 8 to 14 Canadian manufacturer participants - Maintain existing distributor relationships/leads and build new relationships/leads Communications: Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the three events. Add Canadian pavilion to IBEX, U.S.: -10 Canadian companies -50 new distributor leads

4.4. Incremental Activities to be funded by GOA in 2016-17

NMMA-Canada is seeking $93,250 of GOA funding for FY2016-17. This amount would apply to exhibit space/booth/shipping costs and the costs of travel and accommodation. NMMA Canada association and individual participating companies would incur the costs proportionately.

5. Desired Outcomes & Risk Management

5.1. Desired Outcomes & Performance Targets

Generally, NMMA Canada has achieved the desired targets for international development performance from its supported activities at international trade/boat shows during the period 2009-16.
For the period 2016-17:

Table 10 – NMMA Canada Action Plan (2016-17) Anticipated Outcomes & Performance	
Plan Year	**Outcomes**
(2016-17) with GOA Funding	Targets include: - 3 international trade/boat shows - 6-12 Canadian manufacturer participants - 220 new distributor leads - 20 enhanced distributor relationships

5.2. Risk Management

There are no real perceived risks to this plan beyond not developing new distributor leads in the identified markets and incurring costs to attend and exhibit at the shows. It is essentially a win-win opportunity to identify incremental international business potential and export sales.