Overseas markets have never been better—but are you really doing it for the trip?

According to author Robert Thomas—There is a great opportunity for marketing advanced construction techniques common in North America but heretofore rarely used overseas.

My Money Lies Over The Ocean

By Robert Thomas, Jr.

The construction business is becoming more and more an international proposition. Many contractors these days have some connection with overseas suppliers or customers. The contractor who recognizes and acts on this fact will benefit most from the expanding global business environment of the future.

Should you travel overseas, you’ll notice many buildings are constructed using materials and methods which, by our standards, are slow and expensive. In some countries, labor is so inexpensive that labor-intensive methods result in greater profits. But as standards of living rise overseas, so do labor costs.

Like us, the overseas construction community is looking to control costs and maintain profitability in the midst of their economic growth. One solution is to use the latest construction techniques, such as faster building methods and up-to-date materials. Because America is the leader in modern construction technology, other countries look to us for solutions.

As an example of one opportunity for American contractors that exist overseas, consider prefabricated exterior walls. Common in North...
America, in most countries overseas they’re rarely used, even though the components from which they are made are readily available. Shaft wall enclosure systems, are also commonplace here, but rarely found overseas.

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International trade has been a one-way street for many years: They produce and we consume, but not vice versa. This is changing as restrictions by overseas governments on use of imported products and contractors are being reduced. Even the Japanese are now making concessions on this point.

The current value of the dollar is helping things along, too. This situation results from the current trade imbalance and efforts by our government to open up international trade. This is important, because historically one of the biggest problems for North American firms to enter overseas markets has been lack of access.

In addition to opportunities to go overseas, consider opportunities that may come from overseas. Some examples:

- Ever wanted to use a jointless synthetic exterior coating system that can be applied directly onto sheathing? One that works? There are a few available here, but they are readily available overseas.
- Overseas general contractors are starting to come to the U.S. They are looking for products and contractors to use. Asians, particularly, like to develop long-term relationships with subcontractors. Although developing relationships takes time, it can result in years of “repeat business.”
- In North America, exterior wall insulation and finish systems have been plagued for years with building code hassles. This is due to the use of combustible insulation in most of the systems. Systems composed entirely of
noncombustible materials are common in Europe.

- Ceramic tile exterior cladding systems have been popular in Asia for decades. They’re just starting to regain popularity here. Perhaps this technology is something we can bring to North America.

Make no mistake about it, though, the overseas construction market *is* a different ball game. To be successful, a combination of patience, no-nonsense approach, respect, commitment and open-mindedness is needed. For insight into what it takes to “make it” overseas, read the 1960’s bestseller *The Ugly American*. The straightforward, honest, street-smart attitude depicted in that book is what works overseas.

Opportunities for more North American contractors to become involved with the international construction business are increasing. Expanding into the international market can add diversity, interest and profitability to your company. It can help solidify your company’s future in the increasingly internationalized business world. A company need not be big to compete, but you must have “what it takes.”

What *does* it take to get started in the overseas construction market? Here are some ideas:

- Take a trip to see if you like the overseas business scene. For some people, one taste is all it takes: they’re hooked. Others are uncomfortable with it by nature.
- Ask yourself, “Is this something I want to do *as a business*, or do I really just want to take a trip?” Many businessmen venture into the international arena to satisfy their egos, not to fill their wallets. This approach can be okay, as long as you realize early on that this is what you’re really doing. Some people resolve this dilemma by dividing their business into separate divisions (international and domestic), and balancing their profitability with their desire to “see the world.”
- Also ask a second question: “Am I willing to ‘hang in there’ for several years until it becomes profitable?” If
your personality and/or your business cannot operate in a long-term commitment mode, it’s better to stay at home. The leading cause of failure overseas is the inability to maintain a long-term commitment to the overseas market. Our ideas of “long term” simply don’t relate to what you’ll find overseas: By world standards, the whole U.S. is “life in the fast lane.” You must be patient.

• Talk with other contractors who have experience overseas. Ask what they think of it. What kind of things influenced their success? How long did it take before they started to make money?

• Talk with your customers about their involvement overseas. Large organizations, particularly, often have overseas operations. One way to “get your feet wet” is to get involved with projects being built overseas by U.S. companies. In this way, you’ll be operating in an environment more like what you’re used to. Similarly, the U.S. military is very active overseas, and typically uses American products on their buildings.

• Get professional help. If you don’t know where to start, people who have had experience in this type of work can save you lots of time and money by pointing you in the right direction. For example, are you fluent in overseas commercial practices and labor laws? Are the types of products or services you wish to provide overseas likely to be successful?

• Talk with your government. Many states and provinces have active programs to support companies that wish to do business overseas. They can provide you with information and valuable contacts to help you get started. Many government development offices in the overseas countries, to help you when you’re there.

• Relax! Many people have unwarranted concerns about their ability to function in foreign countries, particularly non-English-speaking ones. Don’t worry about it! English is the international business language. Similarly, your local book store can provide you with a wide selection of the basic information you’ll need to learn foreign customs.

• Keep in mind that AWCI is an international organization, and has strong contacts throughout the globe who can help you get started. This is one of the many benefits of your membership.

Look into the international construction market now because this is the direction that the world’s business is heading. “It’s a small world,” and now is the time to start planning your future in it.