

# Enhance Your Export Strategy and Efficiently Ship from Canada to the U.S.

A practical guide for  
navigating the details of  
cross-border shipping





## San Francisco, CA, United States



Thinking of expanding your business to the U.S.? It can feel a little intimidating as you try to navigate the HS codes, customs paperwork and added fees and duties. However, companies that aren't shipping to the U.S. are likely missing out on a large growth opportunity. Because of its vast size, simplified clearance, trade agreements (like the USMCA) and close proximity to Canada, the U.S. can be the next step for many Canadian businesses when thinking about expanding.

#### Benefits of expanding to U.S. markets:

- ✓ Grow brand awareness in new markets and gain an edge over the competition
- ✓ Expand to new regions and reach new customers and a wider variety of market segments
- ✓ Gain access to a larger pool of market data

#### A large appetite for Canadian businesses in the U.S. market

- ✓ The USMCA trade agreement and Section 321 make it even simpler for Canadians to do business with the U.S.
- ✓ U.S. imports from Canada continue to rise, with imports totalling \$357.2 billion in 2021, a 32.1% (\$86.8 billion) increase from 2020.
- ✓ The U.S. market is the world's largest national economy with a GDP estimated at over \$20 trillion.

This step-by-step guide will help you understand how to export from Canada to the U.S. and provide you with practical tools and tips to ensure you're well prepared to take advantage of a new market.

**Step 1: Assess the market - Is the U.S. market right for your business?** Get started by assessing your market potential in the U.S. and by understanding your competition.

**Step 2: Gain alignment - Are your stakeholders interested in U.S. expansion?** Determine if you have internal buy-in from your business stakeholders to move your export strategy forward. You may need to invest a little upfront to make gains in the long term.

**Step 3: Customs requirements - What's the deal with HS codes, documentation and duties?** Prepare the right documentation ahead of time to ensure your shipments aren't held up at the border and understand Section 321 to know if your shipment can get duty/tax-free clearance into the U.S.

**Step 4: Supply chain capacity - Can your supply chain handle U.S. demand?** Consider your supply chain capacity in terms of increased market demand.

**Step 5: Scale into the U.S. market - Can your export strategy find success in the U.S. market?** Plan to scale your business to target specific market segments across the border. Consider whether you want to tackle the whole country, or break it down and target specific regions instead.

**Step 6: Work with the right shipping partner** - Choose a reliable and trusted shipping partner to help you simplify the process of cross-border shipping.



## Step 1

### Assess the market - Is the U.S. market right for your business?

The first step to understanding if your business is ready to export from Canada to the U.S. is to do a scan of the market for business opportunities. Is there a market for your products or services? Will your product's strengths and benefits appeal to the U.S. market? Are you well positioned to gain a competitive edge? The good news is the U.S. market is **10 times** the size of Canada's.

New York, NY, United States



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# 10x

the size of Canada's.



It's up to you to do your market research and identify [where in the U.S. you should export](#), and in which categories you want to focus your efforts. Here are three basic frameworks to help you assess your market potential:



**Exporting for the first time?**  
**This [Export Readiness Checklist](#) is a great place to assess your readiness for entering the U.S. market.**

Framework	The main purpose	Questions to ask
<b>Market attractiveness test</b>	Evaluate a market's potential by asking questions that are relevant to your industry and target market.	<ul style="list-style-type: none"> <li>• Is there enough potential for growth in your industry?</li> <li>• Are people willing to spend on this product at this time?</li> <li>• Are there any underserved markets that I should focus on first?</li> <li>• How does the supply chain in that region work – who does final-mile delivery and where are the distribution centres?</li> </ul>
<b>Competitive analysis</b>	Get familiar with competition in your target market and determine your market viability.	<ul style="list-style-type: none"> <li>• Is your selection superior to the competition?</li> <li>• Can you offer something they don't?</li> <li>• Do you excel in customer service or delivery time?</li> </ul>
<b>VRIO (Value, Rareness, Imitability and Organization) analysis</b>	Use the <a href="#">VRIO analysis framework</a> to understand if your organization has the resources and capabilities that gives them a long-term competitive advantage.	<ul style="list-style-type: none"> <li>• <b>Value:</b> Do you offer a resource that adds value for your customer?</li> <li>• <b>Rareness:</b> Do you have control over a scarce resource or a unique capability?</li> <li>• <b>Imitability:</b> Is it difficult or expensive for competition to duplicate or imitate your capability?</li> <li>• <b>Organization:</b> Does your organization have managed processes and structures in place to capitalize on resources and capabilities?</li> </ul>





Although Canada and the U.S. are similar markets in many ways, they differ when it comes to their opinions on sustainability, values and commitments.



## Step 2

### Gain alignment - Are your stakeholders interested in U.S. expansion?

Once you've established that there is in fact a market for your business, you'll want to ensure you have sufficient interest inside your organization to [develop your export strategy](#). Growth may happen thanks to the efforts of staff members, but it starts with commitment on expanding into the U.S. from the entire executive team.

#### Is your team ready to invest in U.S. expansion?

Expansion comes with many costs, which can range from recruitment and training, to regular travel to and from the U.S. Significant investment will also be required for fulfillment, including boxes, bags, special labels, higher last-mile fees and longer hauls. If all goes according to plan, you'll pay it off in no time. But you have to be ready to spend.



Looking for additional advice on exports? Further **improve your export strategy** with six practical tips.

#### Is there a commitment to sustainable growth?

There can be higher price tags associated with [shipping from Canada to the U.S.](#) You must consider what a prosperous move south will mean, how you'll manage to sustain growth and how you'll get buy-in from your business stakeholders. If you aren't committed to sustainable growth inside your company as you sell to the U.S., you may need to reconsider your approach.



## Step 3

### Customs requirements - What's the deal with HS codes, documentation and duties?

Missing and incomplete [documentation](#) is one of the top causes for border clearance delays—make sure you plan ahead and fill out all the necessary paperwork.

#### Information on Section 321

Did you know that customs forms are not required for de minimis shipments (also referred to as Section 321 clearance)? These are shipments that follow the regulations outlined by Section 321. To comply, your shipments must:

- Be valued at \$800 USD or less
- Not be subject to partner government agency requirements
- Not be subject to a quota
- Not be subject to anti-dumping or countervailing duties

See [this guide](#) by the Canadian Trade Commissioner Service for further details on Section 321.

#### What does de minimis mean?

The de minimis is a threshold value set by Section 321. Currently, it's set at \$800 USD. This means that goods (with some exceptions) imported into the U.S. qualify for Section 321. As long as they are under the de minimis threshold and are not one of several lots, they can fall under a single order or contract.

#### Filing formal and informal entries

Other than Section 321, there are [two other ways](#) your goods can cross the U.S. border:

- **Formal entries:** Most goods entering the U.S. fall under this category. These are exports valued at \$2,500 USD or more, which are subject to a quota and/or subject to anti-dumping or countervailing duties. These shipments require the use of a U.S. customs broker as well as complete customs documentation.
- **Informal entries:** These are exports valued below \$2,500 USD which are not subject to a quota and/or not subject to anti-dumping or countervailing duties. Informal entries only require a commercial invoice and certificate of origin, and don't need a customs broker if the shipment is accompanied by the exporter or if the consignee is collecting it at the port of entry.



When you need reliable shipping information for your goods, the **Purolator Trade Assistant** can help you access your HS code, U.S. customs documentation and government agency-specific forms at your fingertips.





### Obtain an importer ID number and register as an exporter

When sending shipments valued at over \$2,500 USD, the final consignee must be identified by way of an IRS business registration, Employer Identification Number (EIN) or the consignee's social security number. These methods of identification are also known as importer ID numbers. Additionally, all businesses need to register as an exporter with the Canadian Border Services Agency (CBSA) and obtain a [business number \(BN\)](#).



### Gather the right documentation

#### ✓ Bill of Lading (BoL)/Waybill

A bill of lading refers to any shipping document, label, waybill, manifest or similar instrument used by the carrier to accept shipments for carriage. It provides details about the goods being shipped, including type, destination, quantity, size, weight and contact information.

#### ✓ Commercial Invoice

A commercial invoice is the primary customs clearance document. It provides information about the products being shipped, including description, value, country of origin, quantity and terms of trade. Some carriers allow you to [transmit this information digitally](#), which makes the process less time consuming and more eco-friendly—especially when you're sending out multiple shipments at a time. For physical invoices, attach a copy to the side of the box and one copy inside the box with your United States-bound package.

#### ✓ Import/Export License

A Special Import/Export License might be required if your product or shipment is regulated.

#### ✓ The USMCA Certification of Origin (CO)

This document declares in which country a commodity or good was manufactured, and it is used to claim for preferential tariff treatment under the [USMCA](#) for qualified shipments.



### Understand Harmonized System codes and applicable duties and tariffs

Customs duties are fees assessed against an imported shipment based on the tariff treatment applicable to the products it contains. These fees are payable to the U.S. Customs Border and Protection agency (CBP). Every type of traded product has a corresponding 10-digit Harmonized System (HS) code. You can use the [Purolator Trade Assistant](#) to find accurate HS code information and calculate the duties payable.

## What's changed between NAFTA and the USMCA? What exporters need to know.

The [United States-Mexico-Canada Agreement \(USMCA\)](#), also commonly known as CUSMA or T-MEC, is the agreement that replaced NAFTA (North American Free Trade Agreement) in July 2020. The new [USMCA](#) makes it easier to ship over the border with simplified paperwork, regulations written in simple language and easier access to U.S. and Mexico supply chains.

With the USMCA now in place, there are significant changes that exporters must be aware of, including minimum thresholds, Certification of Origin procedures and specific rules for sectors such as agricultural and automotive. Make sure you understand how the changes impact your business and what it means to be compliant—if you're not compliant, you could incur tariffs, fines and surcharges, or even the imposition of penalties for alleged customs fraud.

**Below, you'll find answers to top questions about shipping from Canada under the new USMCA:**

- **What are the new requirements for the Certification of Origin?**

Exporters are no longer required to complete a formal Certification of Origin. Now, shippers can use informal documentation, such as commercial invoices, that can be completed by the importer, exporter or producer. While there's no formal certification document, there is a [list of requirements](#) for a document to be considered as a [Certification of Origin](#).

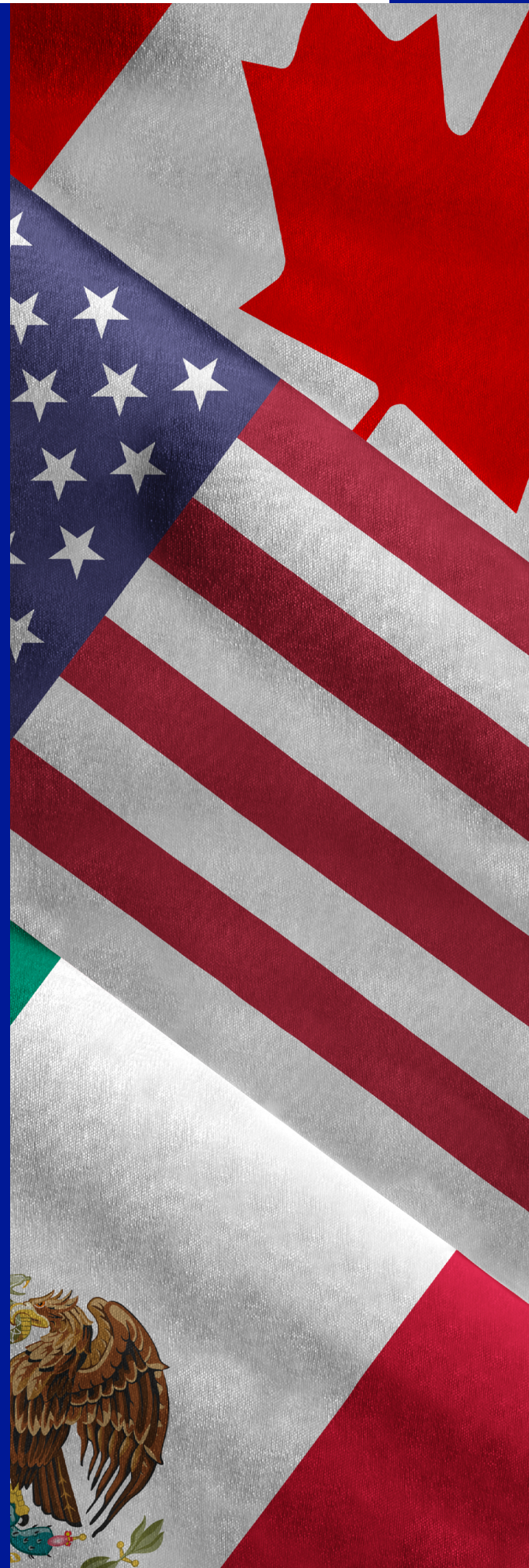
- **Will there be a period when both the NAFTA Certification of Origin and USMCA rules certification can be used?**

No, now that USMCA is in place, the NAFTA Certification of Origin will not be accepted.

- **What are the new de minimis thresholds for e-commerce sales in the U.S.?**

In the U.S., the de minimis threshold is \$800 USD, far higher than Canada. This means U.S. residents can purchase up to \$800 of Canadian goods without paying duties and taxes—in turn, making Canadian businesses a favourable avenue to buy goods.

**For more details, check out [Understanding the USMCA Agreement: Your Top Questions Answered](#).**





## Step 4

### Supply chain capacity - Can your supply chain handle U.S. demand?

#### ✓ You have a scalable supply chain in place

You'll need to ensure that all parts of your business, including your website, inventory and team, can handle an influx in customers, sales or activity, without impacting quality or performance.

#### ✓ Your packaging is built for a bumpy ride

Cross-border shipping can involve some lengthy journeys, often with multiple transfers and additional handling and inevitable bumps. Even when export goods aren't fragile, there's a risk that heavier, bulkier items will be in tow that can damage your packaging. For every delivery, make sure your packaging is secure and durable enough to arrive as intended.

#### ✓ Your customer service is prepped for shipping from Canada to the U.S.

Every change to your business brings new questions from your customers. Your international customers may have questions you haven't encountered before about shipping to the U.S. To ensure a smooth transition, it's important to get your customer service team prepared with the right information, so be sure to update your terms and conditions, FAQs and any other online information they might need.







## Step 5

### Scale into the U.S. market - Can your export strategy find success in the U.S. market?

Now that you've made the decision to export to the U.S., it's time to start planning to scale your business into the U.S. market. Without a quality export strategy, getting your products across the border and into the right markets can be a challenge. Here are some tips that will help you navigate those challenges and construct a robust strategy:

#### Developing a strategy for entering the U.S. market

Having a solid strategy before entering the U.S. market is critical. Start by understanding the [complexities of duty and tariff systems](#) to avoid penalties and delays. Next, look into securing U.S. fulfillment partners who will help maintain your brand's integrity. Finally, ensure your strategy includes a plan for customers and distributors to avoid any complications with financials, or shipping.



**Did you know that the right delivery provider can help you [enhance your brand loyalty](#)?**

Learn how they can keep up and even elevate your brand's reputation.

#### Which part of the U.S. will you sell in?

Access to the U.S. market will help you reach a wide variety of new customers. But before you start, determine which segments and regions can result in the most success for your exports. Ask yourself questions like:

- ✓ Is there enough potential for growth in your industry?
- ✓ Are people willing to spend on this product at this time?
- ✓ Are there any underserved markets that I should focus on first?
- ✓ How does the supply chain in my region of interest work?
- ✓ Is your market selection superior?
- ✓ Can you offer something they don't?
- ✓ Do you excel in customer service or delivery time?



## Scale your e-commerce initiatives

When it comes to [scaling the e-commerce](#) side of your business for the U.S. market, you'll want to focus on four key areas that will bring you the most value:

### 1. Invest in automation

By investing in tools or services that cut down on the hours spent performing tasks, you'll be able to export more goods to more customers at a faster rate of fulfillment. Tasks that tend to be easy to automate include: email management, time tracking, social media scheduling and backing up data.

### 2. Enhance customer support and interaction

Adding a human touch to your customer support services will help your business stand out from the competition and increase customer retention. Some examples are: live chat, FAQs, conversational responses to emails and messages and being active on the same social media platform as your audience.

### 3. Adapt your online store

Update your current online store or create a version that suits your U.S. customers with search engine optimization, payment methods and pricing tailored to their needs. Remember that the SEO keywords you use for your U.S. store will have different search volume and difficulty scores compared to their Canadian counterparts, so you may need to use keywords that better target your new audience. Make sure your URL matches your audience's expectations, so give them the option to choose ".ca" or ".com" so U.S. customers know they are on the right webpage.

### 4. Make navigation seamless

Your website's interface should be designed to help customers seamlessly select your products and complete their order without interruption. Here are some navigational tips:

- a. Start by being consistent. The colours and designs used on your navigation bar should be the same on every page. This way your customer will know where to look if they want to view a different page. Similarly, every page should follow the same layout.
- a. Next, try to stick to the three-click rule. The rule establishes that a customer should be able to complete an action (like purchasing a product) in three clicks maximum. For example, on the product page they might click a purchase button, click to confirm their payment details and then click to submit their order.
- a. Lastly, add [breadcrumb navigation](#). It helps customers visualize their location on a website, and allows them to backtrack with ease, as all previous pages are only a click away.



Looking for more info  
on how to scale your  
e-commerce business?



Here are [seven more tips](#)  
on how to scale up your  
small business online.





## Step 6

### Work with the right shipping partner

A streamlined delivery is critical to your customers' experience, especially when trying to [gain the loyalty](#) of a new market. Ultimately, a quality U.S. [export strategy](#) won't be worth the paper it's written on if you can't affordably get your products down there. Working with a trusted shipper can help you determine the service that is best catered for your products and market, control packaging to optimize transit, reduce damage and lower costs, offer logistical solutions and add value to your export strategy.

Use this checklist to determine what your business needs from a cross-border shipping partner:

- ☐ Is your business looking for a shipping partner who can support customs clearance, brokerage and documentation?
- ☐ Knowing what your customers' expectations are with regards to shipping time, is it vital that a potential shipping partner can match or exceed those expectations?
- ☐ Are reverse logistics solutions a requirement for your business?
- ☐ Are specialized services needed for the products you're exporting?
- ☐ Does your business need advice on packaging to ensure your items arrive intact?
- ☐ Is it important that a shipping partner has years of experience working with your industry?

There are many resources available to help you develop an effective export strategy. Purolator offers a variety of [delivery services within Canada, the U.S. and internationally](#) to accommodate all of your shipping requirements. And with our extensive shipping network in both Canada and the U.S., we are well-equipped to ensure your goods reach their end destination without encountering delays or fees at the border.



## Getting started

Now you're equipped with the steps and practical tips needed to start shipping from Canada to the U.S. But if you're starting from scratch, you might be wondering where to begin. Start by familiarizing yourself with [a guide to exporting commercial goods from Canada](#) by the CBSA. If you're looking to further understand the Canadian government's rules and regulations behind e-commerce, be sure to check out this guide on [selling via B2C e-commerce channels to the U.S. market](#). Both of those guides go into detail on registering as an exporter, while also laying out your roles and responsibilities, giving you a solid foundation to begin your cross-border expansion.

### Did you know?

Purolator offers streamlined cross-border shipping services.



Customs clearance expertise ensures your cross-border shipments meet all [necessary requirements](#).



[Cross-border returns](#) provide a consistent and hassle-free returns experience for your Canadian and U.S. customers.



[Purolator Express® U.S.](#) for next day delivery to the U.S.



[Purolator Ground® U.S.](#) for less urgent shipments that can take a couple of business days to arrive.



[Purolator Specialized Services](#) offers special handling for items that require more attention, such as dangerous goods, non-packaged items and overweight pieces.





## Deliver confidently south of the border and beyond

Now that you have a better understanding of how to export from Canada seamlessly and transport your goods across the U.S. border, you'll be able to find new markets, expand your reach to new territories and bring your business to new heights. There is a lot to consider when shipping from Canada to the U.S., but with the right support, it can be a highly beneficial move for your business.





**200+**

170+ operations facilities—the largest number of operational terminals within Canada<sup>2</sup> and 30+ U.S. regional branches with consolidation capabilities

**14,000+**

Dedicated Purolator Inc. employees<sup>3</sup>

**1,100+**

Canadian retail locations, agents and Mobile Quick Stop locations<sup>4</sup>

**210+**

Drop boxes<sup>3</sup> across Canada

**1,000,000+**

Packages delivered daily<sup>6</sup>



**#1 Canadian courier for reach, distribution centres and fleet size<sup>5</sup>**

**The most experience crossing the Canadian/U.S. border—more than 25 years<sup>7</sup>**



**Serving 99.9% of Canadian postal codes<sup>5</sup>**

**3,050+**

Courier vehicles (including more than 300 hybrid vehicles)<sup>3</sup>

**972+**

Authorized Shipping Agents<sup>4</sup>

**#1 trusted courier delivery service<sup>1</sup>**



## Your go-to shipping partner

Whether you're looking to ship your products southbound to the U.S., across Canada or internationally, we're ready to support your shipments from end to end:

- Get unmatched reach for [all your domestic shipments](#), and choose our Express service for your next-day deliveries. Use [Purolator Mission Critical](#) to access flexible shipping solutions and even faster shipping in Canada.
- When it comes to [shipping internationally](#), our team of trade compliance specialists and reliable shipping options are ready to support your global shipments.
- We assist with customs clearance, export documentation, packing and inventory management, so you can save time and prioritize your attention on what matters—growing your business.

<sup>1</sup> Gustavson 2019 Brand Trust Index study conducted by University of Victoria School of Business among French and English speaking Canadian consumers aged 18 +. Survey data was collected from February 5 to 27, 2019. Purolator ranks #1 in the delivery services category.

<sup>2</sup> Breininger & Associates Inc., "2017 Canadian Courier Company Service Comparison Analysis Strategic Insights Report," March 2017.

<sup>3</sup> Purolator Inc. (2021). [purolator.com/en/purolator-facts-history](https://purolator.com/en/purolator-facts-history)

<sup>4</sup> Purolator Inc. (2021). [purolator.com/en/business-solutions/logistics/returns-management](https://purolator.com/en/business-solutions/logistics/returns-management)

<sup>5</sup> Canadian Courier Company Service Comparison Analysis Strategic Insights Report (2017). Brampton, ON : BGR Coaching & Strategic Solutions.

<sup>6</sup> OPVAT Development QV dashboard, calculated per diem. Based in 2018 average of over 1 million pieces processed (picked-up and delivered) per day.

<sup>7</sup> Purolator International (2021). [purolatorinternational.com/services/canada-one](https://purolatorinternational.com/services/canada-one)



## Ready to export from Canada to the U.S.?

Explore our cross-border solutions to make your shipping streamlined and stress-free.

[Learn more](#)