



# LAVAL TECHNOPOLE International Business Centre

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## INTERNATIONAL NEWSLETTER



FALL 2011

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## DBM: A Close Look at a Shrewd Company

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Everyone knows the car industry is changing to the core. Without a doubt, the economic crisis has accelerated the change—with annual worldwide sales dropping by 14% between 2007 and 2010—but other factors are also helping redraw the face of this new economic sector: a price war between car makers, greater demand for hybrid and electric vehicles, rising consumption in emerging countries (with Asia currently absorbing more than 50% of global automobile production), and Chinese car makers coming onto the stage...

This means that automotive industry suppliers also need to redefine themselves. And that is exactly what DBM Reflex Enterprises has done in the shadow of the recession. Specializing in fabricating plastic injection moulds for optical components for headlights and tail-lights, DBM is doing business with all major car makers on the planet. It certainly has no competitors biting its heels, as this Laval company with over 40 years of history is ultra-specialized in a market that has only a few major players. Having said that, it is vulnerable in being dependent on only one market.

Having realized this, in 2006 the company decided to diversify and transfer its expertise to other industry sectors. It founded DBM Reflex Lighting Solutions, which specializes in making moulds for LED lighting applications. Its new market niches? Lighting systems for highways, mines and industrial equipment. "Just like car makers, optical systems manufacturers send us their performance specifications and we design the product," explains Bernard Caire, Vice President of Sales at DBM Reflex Enterprises.

But how do you get your expertise known in other markets when you have traditionally been corralled in the car industry? DBM Reflex had a network of highly effective reps in place, but they dealt exclusively with car manufacturers. «Recommendations are very important when you want to do business internationally," says Caire. "And that's mainly how we recruit our reps. Of course, mistakes are inevitable. We've spent three years building up a strong network in the southern U.S. It takes a lot of time, follow-up and training." Another decisive factor: customers often want to meet the company's directors who are driving the initiative. This means you need to be ready to travel regularly to build bridges. "You also then need to deliver the goods," adds Caire.

To grow sales, it is not enough to set up abstract internationalization initiatives. You also need to mobilize the necessary workforce to deliver your products to deadline. DBM Reflex Lighting Solutions therefore created 25 new jobs to sustain its productivity.

### Message from the Director



To ensure that our 2011-2012 action plan meets the needs of Laval exporters, we conducted a survey of businesses this summer along with series of visits. This process confirmed that Laval exporters are aiming to diversify by developing lesser-known markets in a structured way, especially in Asia and Latin America. Many thanks to all who took the time to share their views with us and talk about their international projects.

To see our schedule of activities for Fall 2011, please go to our website [www.lavaltechnopole.com](http://www.lavaltechnopole.com). You will find that we are offering opportunities in various international markets, networking venues for exporters and support for planning a coherent internationalization strategy. We are confident that these activities will meet your needs. In any case, feel free to contact us to talk about your projects. We will be delighted to help you in your initiatives.

In this issue, you will find an article on DBM Reflex, a company that has succeeded in diversifying to face a changing world market and in using its know-how to reposition itself quickly in a new, fast-growing segment. Our columnists and our Blogger's Corner also deal with various topics directly or indirectly related to the development of new markets, a priority challenge for our businesses.

Happy reading and best wishes for a superb fall season!

Véronique Proulx, MBA

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Head office of DBM Reflex Enterprises and DBM Reflex Lighting Solutions in Laval.

The two divisions now have 200 employees, exporting 90% of their production. DBM Reflex also has a counterparty in Taiwan, which covers the needs of the Asian market. The company's management is striving to consolidate the lighting company's presence in the United States by growing its market share in New England. In the medium term, it would like to get a foothold in Europe.

It goes without saying that by applying its vast expertise to a different field, DBM has really shown its flair. Not only is it no longer hostage to the car industry, its sales have grown substantially, beyond merely weathering the economic crisis.



Products designed and made by DBM Reflex Enterprises.



For further information about DBM Reflex Enterprises, go to: [www.dbmreflex.com](http://www.dbmreflex.com) and [www.dbmlighting.com](http://www.dbmlighting.com).

<sup>i</sup> [www.planetoscope.com/automobile/76-nombre-de-voitures-produites-dans-le-monde.html](http://www.planetoscope.com/automobile/76-nombre-de-voitures-produites-dans-le-monde.html) (site consulted on August 15, 2011).

## The Mining Industry: National and International Potential

As part of our "Leadership Conference" series, on June 16<sup>th</sup> Sotech Nitram organized a conference in Laval on the mining industry. The objective was to allow participants to better understand the scale of mining projects in Quebec and internationally, as well as their potential impact for our customers. We invited Claudine Renaud, Managing Director of Minalliance ([www.minalliance.ca](http://www.minalliance.ca)) to speak to us about this major industrial sector.

Ms. Renaud's presentation revealed that, as of the date of the conference, the mining sector in Quebec alone accounted for

\$27 billion in investment. Dozens of projects are underway or in a stage of analysis: iron, copper, nickel and diamond exploitation projects. Yes, that's right—a high-quality diamond mine is operating north of Chibougamau! Claudine Renaud also revealed that the industry relies on some 3,800 suppliers throughout Quebec. Is your company taking advantage of Quebec mining development?

In a sustainable development context, Sotech Nitram recognizes the socioeconomic value of the mining sector. We invite all Laval businesses to discover this and quantify the potential that it

Our team of columnists:





## Business Development: Targeting is the key

Numerous studies show that most Canadian businesses are looking to expand outside the country over the next five years. Unsurprisingly, the United States, China, India and Europe top the list of prospective markets.

A recent ROI survey reports that the heads of fast-growing businesses are able to describe their market segments in a very specific and detailed way, while their less successful rivals talk in generalities. Targeting is therefore essential and an undeniable success factor. This same business development principle applies to your international efforts.

Take China, for example, a country that is vast, populated and diversified. Focused segmentation (in terms of industry, demographics, size and proximity) can identify some 20 segments, each homogeneous enough to be considered a single market that can be tackled effectively.

Such segmentation should not be undertaken lightly. In our Chinese example, you might be tempted to exclude smaller cities and concentrate on the largest urban centres. Such a strategy could end up being very costly, less effective and deprive you of good business opportunities. Large cities can actually be very far apart. Although Chengdu, Xi'an and Wuhan are among the 10 largest cities in China, they are over 1,000 km apart. By contrast, the largest city in the Shandong province is Jinan, which barely ranks among the 20 largest Chinese cities. However, the

province also has 21 cities among the 150 largest in China, which makes Shandong one of the country's most attractive segments. Similar features can be found in other emerging markets. In short, whether in Quebec, the rest of Canada or abroad, when it comes time to devise a business development and marketing strategy, it is essential to stand back and really understand the dynamics of the market, select the right targets based on market segmentation and understand the characteristics of your potential customers.

We are ROI, a recognized leader in identifying sound business opportunities and strategic economic intelligence for economic development agencies and companies. Contact us if you wish to accelerate your business development in Quebec or internationally.



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represents, both locally and internationally. This industry offers strong potential for exporters as local companies. ArcelorMittal Mines Canada and Xstrata, to name just two, are also operating numerous mines elsewhere in the world. Moreover, mining operations are relatively standardized, regardless of where they are located. Products and solutions developed in Laval can readily be used in mining operations in South America, Africa, Asia or Australia. This means major export potential!

At Sotech Nitram, we have invested time and money to develop top-rank expertise in the mining industry and to ensure effective

management of your logistical challenges, whether here or abroad.



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## Blogger's Corner

# The Importance of Addressing Your Customers in Their Native Tongue When Doing Business Abroad

An article published last May in *Les Affaires*<sup>i</sup> as part of a special series on the language industry highlighted the importance of translation for exporters, citing the example of an SME in Chesterville (near Victoriaville) that saw sales to Eastern Europe hit \$3 million after translating its Web site into Polish, German and Russian. With its sights seriously set on these markets, the company spared no expense, hiring local translators to translate its site and sales tools. This enabled more of its customers, many of whom do not speak English, to learn about the company and its products. And as a result, sales went through the roof.

This example shows the importance of addressing your customers in their native tongue. In Quebec, because of our linguistic context, business owners are sensitive to this need. However, many don't invest in translating and adapting their marketing and customer support tools to foreign languages. Making your site multilingual doesn't cost a fortune and makes it easier for prospective foreign customers or partners to find. In fact, a study conducted in 2006 by Common Sense Advisory<sup>ii</sup> showed that over 50% of online consumers won't buy from a transactional website if it is not presented in their home language. It seems that language is more important than price. The more important the product, the more people will want to collect information about it in their own language before buying. Based on this principle, it is only logical for companies marketing big-ticket

items to make their Web site available in multiple languages, as per their target markets, in order to maximize exposure and potential sales.

With this in mind, here are some important things to consider before translating your site. First, you must make sure to obtain a quality translation, since a poor one will make you look unprofessional and leave visitors confused about your product and/or its use. And before translating your marketing tools, make sure you can adequately respond to customer questions and/or requests. For instance, you should have a distributor in the market in question who can serve customers in their language, or a multilingual customer service team. Last but not least, you must have a structure in place to make the transaction as easy as possible for the foreign customer, e.g. payment, shipping, guarantee. Indeed, the Common Sense Advisory study found that, beyond the language, ease of payment and technical support with the transaction play a big part in the consumer's decision to go with one site over another.

In conclusion, translation is a critical element of good international business development and therefore should not be taken lightly. It is part and parcel of a comprehensive international business development strategy, which is the only way to ensure the expected return on your investment.

<sup>i</sup> Hébert, Claudine, "La traduction dans le quotidien des entreprises qui exportent", *Les Affaires*, May 21, 2011.

<sup>ii</sup> De Palma, Donald A., Sargent, Benjamin B., Beninatto, Renato S., *Can't Read, Won't Buy: Why Language Matters on Global Websites*, Common Sense Advisory Inc., September 2006.

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