



Blogger's corner

We've been talking about it for a while... and now the time has finally arrived to introduce you to the LAVAL TECHNOPOLE International Business Centre's new blog! Many of you will receive our posts by e-mail once a month, and you will also be able to read the blog on-line at www.lavaltechnopole.org/cailt/en

The goal of this new communications tool is to share information, expertise, opinions and observations that will help you develop new markets. If this is the first opportunity you've had to explore the blogosphere, you will notice that it is ideally suited to the continually changing import-export world.

We would therefore like to invite you to share your thoughts and make any comments you feel would help other readers in their international initiatives.

From now on, each issue of our *International Newsletter* will include this "Blogger's corner" section, which will feature the best posts and comments to appear during a given period. We'll start with one of the very first posts:

I was in Texas this June as part of a trade mission¹ (and I would advise you not to travel there at that time of the year as the weather can be horribly hot and humid). I was surprised to observe just how well Texas was pulling through the current economic situation. In fact, since Texans did not speculate heavily in real estate, the market there has remained relatively stable.

There are therefore business opportunities for exporters. I made the following notes, which I would like to share:

- *Dallas: This area does not seem to be very well known abroad. It has the highest concentration of academics and academic institutions in Texas. A number of organizations in the cancer research sector, both public and private, have been established there. The technology (including manufacturers such as Texas Instruments) and defence industries are expanding.*
- *Houston: This city attracts millions of dollars' worth of investments every year. A great deal of money has been spent to encourage major companies to establish themselves in the area, and the strategy certainly seems to have been successful. Furthermore, Houston has set itself the goal of being a "green" city, so all future construction projects will have to receive LEED (Leadership in Energy and Environmental Design) certification.*
- *Northwest Arkansas (to be sure, this is another state, but the information below demonstrates the economic vitality of the region) is an extremely dynamic area that offers good opportunities for companies in the agri-food (for example, Tyson is based there) and logistics sectors, as well as for those providing products and services to manufacturers. In fact, 15% of revenues in the region come from manufacturing, in comparison with the U.S. national average of 11%.*

The Texan economy will continue to thrive. On the one hand, current growth leads both local and foreign companies to invest in the area while, on the other, such growth attracts the migration of workers from other states. The number of Florida licence plates now seen on Texan roads is but one proof of this, as the economic slowdown in the Sunshine State drives people to look for work in Texas.

If you would like to learn more about this particular market, feel free to send us your questions. You are also invited to share your knowledge. In addition, the LTIBC team held a number of meetings during its trip to Texas, which has enlarged its network of contacts in the state. The latter could certainly help you develop or expand your business in this market.

¹ Three Laval companies took part in this mission: Mondo America, Orbi and Geo-Plus.

The doors of international business are opening wide for Normont Hinge

Normont Hinge, a division of Normont Industrial, has carved out a special place for itself internationally for the hinges it produces for the transportation and manufacturing industries. With a head office in Laval, plants in Granby, Plattsburgh and Shanghai, four North American distribution centres, networks of raw material suppliers in Germany, Italy, Turkey, China, South Korea and the United States, as well as customers around the globe, Normont Hinge is unquestionably a major player in its field.

Twenty-eight employees at the company's Laval head office and design centre see to administration and the 3-D design of custom-made hinges for all the division's customers. For, contrary to what the uninitiated might think, the creation of such a seemingly simple product—basically a piece of hardware that enables two surfaces to be jointed along a common axis—requires an impressive amount of technical expertise. The size and shape of the hinge, what materials will be used to make it, the amplitude of its axial motion, the type of attachment, finish and pin retention, the size of holes, and the required tolerance to heat and temperature variations are only a few of the features that the company's engineers have to take into consideration when designing a hinge, which explains why they are all concentrated in a single location.

For its part, custom manufacturing is turned over to one of the three Normont plants, depending on the final product's destination. As the company's president, John Struthers, explains: "Transportation costs have to be taken into account when determining the production cost of a hinge so that, in the end, we can offer it at a competitive price." It is also one of the factors that the company must consider when developing a new market.

Several steps are also necessary before establishing a sales office, distribution centre or factory in a given area. To begin with, Normont Hinge analyses the market's needs and competitive environment. If the prospects are favourable, the company starts the process of obtaining all the necessary permits for establishing itself in the chosen location. "This stage can sometimes take as long as 18 months, and you have to be patient," declares Mr. Struthers. "One thing that can smooth the process, however, is to enlist the help of the Canadian government's export support services, as well as of the trade attachés in our embassies." Meanwhile, the company familiarizes itself with

A message from the Director



Once summer's over, the recovery should be here!

As the Bank of Canada announced during the summer, the Canadian economy has once again started to grow after nine months of stagnation. The LAVAL TECHNOPOLE International Business Centre team has therefore developed a number of projects in the last few months to enable Laval companies to take advantage of the upturn.

For example, we will provide you with a chance to explore opportunities in Panama and Costa Rica by meeting representatives of companies from those nations who will be visiting us here in Laval. Various other activities involving other countries have also found a spot on our fall calendar. Our goal is to help you meet potential partners and invest in new markets, while keeping your travel and expenses to a minimum.

At the same time, we would like to invite you to read the new blogs from the advisors at your International Business Centre. You will see that they are full of up-to-the-minute information about markets, as well as many tips for importers and exporters. Feel free to share your comments about any of the articles posted and make them even more helpful by relating your own personal experiences! By way of introduction, you'll find one of the posts on the last page of this issue.

Enjoy your reading!

Véronique Proulx, MBA

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the area's business, accounting and banking culture. As he maintains, "It is important to understand how people work and their philosophy in terms of importing. Availing yourself of the services of an accountant or lawyer from the country in which you want to set up a branch can also be very helpful, enabling you to absorb the various ins and outs of doing business in an area and avoid any number of nasty surprises." Once that step is completed, a sales office is opened to start developing the market. Depending upon the response, a distribution centre may subsequently be set up to ensure the availability of parts.

This is precisely the process that Normont Hinge followed over the last few years in order to establish itself in Mexico, where it opened a distribution centre located on the outskirts of Mexico City last April. Prospects for this market certainly seem favourable, since Normont's Mexican division will itself begin assembling components and manufacturing hinges in January 2010.



With the addition of the Mexican distribution centre, Normont Hinge now has 86 employees worldwide. However, their numbers will soon increase because of certain targeted acquisitions in Canada and the United States that will allow the company to strengthen its North American presence. Its five-year business plan also makes provision for developing markets in Argentina and Brazil. Both nations are home to major bus, train and industrial machinery manufacturers, ideal customers for Normont Hinge, which is already a supplier to Volvo and Bombardier.



For further information about Normont Hinge, please contact John Struthers, President, at 450 681-2884, or visit the company's Web site at: www.normonthinge.ca

Financing solutions for foreign buyers

Recently, a Canadian exporter spoke to me about his frustration concerning his company not being able to achieve its full potential in terms of overseas sales. "We can access the markets and we certainly don't lack for customers but, unfortunately, it is very difficult for them to obtain credit," he told me. However, I did have an answer for him: "Didn't you know that there are programs providing financing for foreign buyers?"

Since there are always new markets to be explored and new opportunities to take advantage of, not to mention the fact that exporters must often turn down potential business due to their customers' limited access to credit, a number of innovative solutions have been put forward. These have been specially designed to help foreign buyers having trouble finding financing and enable Canadian exporters to increase their export sales.

In this way Export Development Canada (EDC), whose mandate is to facilitate international trade, provides support for foreign buyers of Canadian products and services by means of loans, guarantees and lines of credit. There is one important thing to remember, however—such transactions are evaluated on the basis of their economic benefits for Canada.

Northstar is another active player in the area of financing foreign buyers, offering programs that can be tailored to your particular needs. Furthermore, it makes term loans and inventory financing loans available to buyers in a number of approved currencies.

Such business solutions can provide you with:

- an undeniable competitive advantage, since you are helping your customers obtain financing to buy your products and services
- a sure and effective way to attract new customers

To find out more, please contact Stéphane Rochon, Senior Director – Business Development and Commercial Markets, at the Desjardins Business Centre of Laval: 450 978-2212, extension 5205.



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Eliminating boundaries and increasing visibility within the supply chain

Market liberalization and strong growth in the global economy have made supply chain management more complicated. In increasing the volume of their overseas business, local manufacturers have increased delays within their supply chains. For their part, customers are ever more demanding in terms of price, and want customized products or services faster, and delivered at the right time to the right place.

One of the major challenges facing companies is the visibility and transparency of demand throughout the chain from the very beginning. Generally speaking, first-line players indicate a demand by placing an order, which each of the following players then respond

to, using a similar, "transactional" approach. This tends to encourage every player in the supply chain to protect itself by keeping higher inventories in order to be prepared for any unexpected eventuality. That, in turn, has a multiplying or, as it is commonly referred to, whiplash effect. In short, the supplier at the beginning of the chain will perceive the demand to be much stronger or much weaker than the first-line player does.

In order to deal with this problem, experts in the field have developed tools that enable information to be shared on a co-operative basis. Collaborative planning, forecasting and replenishment (CPFR) systems have arrived on the market in the last five years. The tech-

nology creates supply chains that foster the exchange of replenishment signals, as well as shared visibility in respect to demand. It links the management processes of both customers and suppliers, coordinates transactional flows and operations between partners, manages exceptions and establishes a common viewpoint of business performance.

The recent emergence of cloud computing democratizes, as well as provides low-cost facilitation of, exchanges between business partners, which simplifies the implementation of collaborative processes. This allows companies to enjoy virtually real-time visibility in terms of signals and demand at every level of the chain. Combining cloud computing with the implementation of a CPFR technology increases a company's management intelligence and flexibility, resulting in substantial improvements in many respects, including:

- increased visibility within the supply chain
- optimized inventories
- fewer inventory shortages
- lower operating costs
- increased rates of customer satisfaction
- revenue growth



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