



# LAVAL TECHNOPOLE International Business Centre

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## INTERNATIONAL NEWSLETTER



WINTER 2009-2010

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## World-class computer tools at the service of education

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When they founded Robotel in 1986, Étienne Bouchard and François Larochelle already had an international mission for their company. They knew they had a unique product that would bring the world to their door... and they were right! Today, fully 96% of what they produce is exported around the globe.

Located in Laval since 1991, today some 20 Robotel engineers and computer specialists design SmartClass instructional systems, which optimize the effectiveness and interactivity of computer-assisted work sessions by interconnecting all the computers in a classroom. This enables teachers to manage every computer in the room from their own workstation. They can send images and audio from any one terminal to another, make presentations, observe students' work, create teams, and more. Teachers can even take control of students' desktops to show them how to use various applications, no matter what type of training is being given, whether in computer labs, video game design, film-editing or animation studios, or in call centre training rooms.

Where Robotel really stands out from its competitors, however, which most often specialize in either hardware or software, is in its combination of a hardware component enabling the interconnection of computers with a software component specifically designed for language labs. In this way, Robotel succeeds in providing a more stable, effective learning environment: faster transmission of images at higher resolution, better audio quality, and hardware that allows no-fuss, conflict-free use of other suppliers' software. Moreover, SmartClass systems continue to be compatible with every new generation of computers.

"Our products are highly specialized and intended for very specific types of markets, like call centres and educational institutions. We have to find distributors dealing with the same fields, which will simply add our product to those they already handle. Finding the right distributor is the key to success in establishing ourselves in a new market," explains Mr. Bouchard. "In any case, various sorts of partnerships are possible."

In 1988, Robotel began to develop its international distribution network in the United States, first working with direct representatives and then creating a subsidiary in Missouri, which worked with regional distributors in individual states. It moved on to Asia in 1991: its representative in Kuala Lumpur covered the entire territory of Southeast Asia. In 1995, it began to test the waters in Europe, which quickly became its main market as a result of finding national distributors—one in France, one in Germany, one in England, and so on. The following year, its Middle Eastern distributor,

*Continued on the following page*

## A message from the Director



Mission accomplished!

The year 2009 proved to be a very busy one here at the **LAVAL TECHNOPOLE International Business Centre**. In line with our desire to help companies move forward despite the recession and ready themselves for a recovery, we set up a number of new services that have met with a very warm welcome from Laval firms. Moreover, the participation rate of executives and managers in our various activities demonstrates the relevance and quality of our initiatives.

The **LAVAL TECHNOPOLE International Business Centre** is proud to be able to take part in developing the international outreach of our local companies. On behalf of our entire team, I would personally like to thank you for having chosen to establish yourselves in Laval and making the decision year after year to remain here, as well as relying on us to help put your businesses on the world map. It is our pleasure to contribute to your success!

Be sure to read the article on the next page for more details about our activities in the past year.

Looking forward to working with you again in 2010!

Véronique Proulx, MBA



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based in Dubai, started taking care of all the Persian Gulf countries. Finally, Robotel entered the South American market in 2002.

Local partners help their customers define their needs, set up the hardware, train users and ensure after-sales service. They receive solid support from Robotel's training and technical support departments, which organize regular training courses for its representatives here in Laval. "You also have to be out in the field on a steady basis, since that helps develop solid, long-term relationships," adds Mr. Bouchard.

Robotel also provides its partners with marketing support and promotional tools, some of them as up-to-the-minute as the use in 45 countries of Google AdWords, while others involve more traditional methods, such as funding education-related trade shows around the world. Such specialized shows provide Robotel with stellar opportunities for meeting future partners.



*Language lab whose software infrastructure was supplied by Robotel.*

And there are sure to be more, since the global economic situation is rapidly changing. Some countries, such as China and India, are developing quickly and have increasing buying power. Robotel, which strives to design solutions that are suitable for more price-sensitive markets, has already begun to experience a certain amount of success there.

The Robotel team is also busy developing new technologies, such as a hardware platform that works with new DVI video standards or, on the software side, giving students Internet access to language resources that enable them to continue their studies at home. All in all, Robotel is working to provide an entire range of dependable, user-friendly products to enrich the world's educational toolkit.



To learn more about Robotel, please contact Étienne Bouchard, President, at 450 680-1438, or visit the company's Web site at: [www.robotel.ca](http://www.robotel.ca).

## A look back at 2009

Despite the relatively sluggish economic situation, 2009 proved to be a good year for Laval entrepreneurs. The **International Business Centre** continued to fulfil its mission to support local companies by developing a new international supply chain and logistics service, as well as setting up a blog and two social networks for business people.

The purpose of the international supply chain and logistics service is to improve Laval firms' competitiveness by optimizing every link in the supply chain. In place since February, the service has already enabled over 60 companies to receive guidance in this area.

Moreover, the **International Business Centre** helped its client businesses increase their international sales, which reached \$2.5 million. Thanks to its advisory services, the LTIBC also enabled local companies to obtain \$1.2 million in financing, which in turn generated an investment of more than \$3 million in the development of new markets. Overall, the LTIBC worked with over 200 company senior managers and representatives, who estimated the benefits from their participation at over \$15 million.

Our team  
of columnists:





## Have you properly read and accepted your **international suppliers'** general sales **terms and conditions**?

Tender offers, purchase orders and invoices from both your international and local suppliers usually have "General Sales Terms and Conditions" printed on their reverse, which you probably never read. However, they outline the conditions upon which your supplier is willing to sell its products and services to you.

If you do not agree with one or more of these provisions, you must refuse or modify them, or impose your own.

Should there be a dispute between you and your supplier, the courts will look into your negotiations back and forth in order to determine what provisions both parties finally agreed upon, whether formally or implicitly. It is therefore very important to be clear about what is accepted, modified or refused. Such negotiations can take place through the simple exchange of e-mails or faxes, for example, without the need of a formal contract signed by both parties.

If you have not had any changes made to the "Terms and Conditions" issued by your supplier, Canadian and Quebec courts will consider you have been negligent and determine that you have tacitly accepted them, especially if you have concluded several transactions with that supplier in the past. It is therefore up to you to propose changes to the contract that will be acceptable to both parties.

Such provisions might deal with warranties, interest on overdue payments, "just-in-time" stipulations, Incoterms, and so on. Special attention should also be paid to those provisions outlining which laws will govern the interpretation of the contract, generally that of

the country where the supplier's head office is located, granting jurisdiction to foreign courts in the supplier's country, or providing for arbitration in the case of a dispute. If you do not have such provisions changed, you will end up defending yourself alone in front of the Canadian courts against, for example, a customer who is unhappy about a defective product, and will have to file a new lawsuit or undergo arbitration abroad in order to receive compensation from your supplier! This is now the position of the Supreme Court of Canada and the Québec Court of Appeal.

Therefore, be sure to carefully check and properly negotiate such general terms and conditions! They can have a major impact on your business, especially if the quality of your international suppliers' products may sometimes not be quite up to your expectations.

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### **Here are just some of the activities that were conducted:**

- As part of the social network initiatives, 10 breakfast meetings were held, 5 of them for the export component and 5 for that involving the supply chain.
- Two trade missions were conducted: one to Texas, which focussed on the construction industry, and a multisector virtual mission to Brazil.
- Three training and coaching sessions were organized. The first dealt with the development of new markets, the second discussed the Internet and how to best use it to increase sales, while the third concerned the international supply chain.
- A lunchtime conference allowed attendees to meet a representative from the Costa Rican firm Edificar, which also has a presence in the Panamanian market.
- An information seminar on international business intelligence was also held.



## Blogger's corner

# Report on a conference dealing with the **Obama administration's** recovery plan and the "**Buy American**" clause

Last June, I had the opportunity to attend a very enlightening conference on the Obama administration's recovery plan ([www.recovery.gov](http://www.recovery.gov)) and the "Buy American" clause's impact on Canadian companies' ability to access public-sector markets in the United States.

Organized by the MDEIE, this conference brought together several U.S. experts who spoke about four key aspects of the plan: energy and environment, infrastructure and transportation, security and defence, and health and information technologies.

What was made clear in the various presentations was that the recovery plan has made major spending commitments in a number of sectors but, as a result of this clause, for the time being Canadian manufacturers could find themselves almost completely excluded from many projects. However, it is important to point out that the clause only affects projects financed through recovery plan funds, which actually represent only a relatively modest portion of the entire U.S. federal budget.

The "Buy American" clause involves the following main principles:

- 1- If a project is funded directly by the federal government, the clause only applies if it is a construction project whose total cost will be less than US\$7.4 million. In the case of projects financed by a state, county or municipality using federal funds, the clause always applies, regardless of the cost involved. Here it should be noted that the great majority of *Recovery Act*-financed projects are not managed directly by the federal government.
- 2- The clause specifies that if a project is totally or partially financed by recovery plan funds, all manufactured goods used in it, including iron and steel, must be U.S.-made products. Construction equipment is excluded from this requirement, since the clause only affects products that will form part of the built structure, or that will be left on the site once construction is completed. A product is considered to be U.S.-made if its domestic content exceeds 50% of the total value of the finished product. A manufacturer of relatively low-value

components sold to OEMs (Original Equipment Manufacturers) will not necessarily be affected by the clause, unless its customer is obliged to replace the components at issue with their U.S. equivalents in order to decrease its proportion of foreign content.

3- There are three possible exemptions for every type of project. If a Canadian company is able to show that it qualifies for one of those exemptions, it can be one of a project's eligible suppliers. However, it is up to the entity placing the order to demonstrate that fact to government authorities; therefore, you have to make sure that it does so in order to ensure it will receive such an exemption. The three grounds for exemption are:

- a) the product is not available in sufficient quantities in the United States;
- b) the purchase of a U.S.-made product would increase the total cost of the project by more than 25%;
- c) the application of the clause would go against the public interest.

One of the main implications of this clause for Québec SMEs is that some U.S. customers could become wary of turning to Canadian suppliers for fear of losing lucrative recovery plan contracts. Therefore, before beginning negotiations with a potential customer, it will be vital to thoroughly understand why it may be possible for it to buy your products and, if necessary, provide support for it in the process of receiving the exemption that will enable it to incorporate your products within what it will be offering.

To read the complete article on the U.S. recovery plan, go to the LAVAL TECHNOPOLE International Business Centre blog: [www.lavaltechnopole.com/litbc](http://www.lavaltechnopole.com/litbc).

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