



LAVAL TECHNOPOLE INTERNATIONAL BUSINESS CENTRE

INTERNATIONAL NEWSLETTER



SUMMER 2008

International business is well within SynergX's line of sight!

Thanks to its automated optical inspection systems for the glass and bottling industries, in just four short years SynergX has been able to become indispensable to the sector's major multinationals. Its roster of customers includes brewers such as Labatt and Molson in Canada, SABMiller in South Africa and the United States, and InBev in Belgium. Its systems are also used in a number of European, Asian and American automotive glass manufacturing plants, such as those of Saint-Gobain, Asahi Glass Company, PPG and Pilkington. Exports make up fully 85% of its total sales.

Founded in 2004 by Stéphane Lemieux and Ken Wawrew, SynergX specializes in the design, manufacture and installation of quality control systems using optical imaging. When set up in breweries, these devices check the integrity of bottles and their contents. In the automotive glass industry, they detect the presence of flaws such as scratches, bubbles and foreign matter, or any other defect created during the manufacturing process.

Having worked respectively in the brewing and glass industry, it seemed natural for Stéphane Lemieux and Ken Wawrew to develop these particular market niches. "In the past, Ken and I had used more or less the same type of technology, and had already forged good business networks in each of these industries. So, we pooled our assets," explains Mr. Lemieux, Executive Vice-President and General Manager of SynergX.

In fact, before founding SynergX, the two partners had had the opportunity to establish a solid network of contacts abroad, which greatly facilitated matters when the new company set about exporting its products and expertise. "We had previously invested a great deal in targeting and developing foreign markets. The experience we gained through this enabled us to evolve rapidly. For companies that are new to exporting, the key to success in international markets is basically a matter of investing both time and money. Creating business networks, that is, canvassing potential clients and entering into partnerships, requires a company's constant attention," emphasizes Mr. Lemieux.

Recently, SynergX joined a trade mission to Mexico organized by the LAVAL TECHNOPOLE International Business Centre. This type of mission enables companies to save valuable time in terms of organizing a search for potential customers. "As for any step taken in order to do business abroad," cautions Mr. Lemieux, "it is an investment whose impact will only be felt 12 to 18 months following the mission, and then only if there has been proper follow-up."

A message from the Director



We are very pleased to launch this new international newsletter, in which you will be able to learn about the success Laval companies have found through internationalization strategies. In fact, area companies are a growing presence on the global scene and this publication will enable us to highlight their achievements.

Our columnists will provide information on how companies can increase their competitiveness. Moreover, our team will address various topics related to international business. The LAVAL TECHNOPOLE International Business Centre (LTIBC) aims to assist companies that have plans for internationally focused export, marketing, supply or innovation. Since 75% of area companies use suppliers located outside Québec, it is essential that we be able to reach all of them.

This newsletter will now be annexed to that of LAVAL TECHNOPOLE and will have a circulation of 5,000. We are sure it will prove to be an effective communications vehicle for making our companies better known not only in Laval, but also in all our networks around the world.

We hope you will enjoy reading it!

Véronique Proulx, MBA, Director
LAVAL TECHNOPOLE International
Business Centre

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LTIBC services

A calendar full of business opportunities

The LAVAL TECHNOPOLE International Business Centre (LTIBC) regularly offers various activities designed to create business opportunities for Laval-area companies.

- Heads-up on the markets: We invite buyers from various markets throughout the world to meet Laval companies during special themed, day-long gatherings.

Six such gatherings have been held over the last few years, enabling more than 200 participants to present their products to 58 buyers and so assess their potential markets.

- Missions: The LTIBC organizes exploratory trade and business missions to markets that are most suitable for Laval companies.

A total of 37 trade missions have been organized over the past years, providing over 85 companies with opportunities to meet potential customers. Jean-Pierre Robert Steel obtained a contract worth CAN\$672,000 following one such trade mission to New York.

- Training sessions and conferences: These enable Laval companies to meet the experts in our network and discuss various aspects of international business.

Last July 8, representatives from SNC-Lavalin Gulf Contractors LLC and Consult Maunsell spoke to Laval companies about their construction projects in the United Arab Emirates. Meetings were also organized between participants at this session and Consult Maunsell representatives.

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In order to hold on to such hard-won customers, it is important to establish strong, close relationships with partners and clients. That is why SynergX, whose head office is located in Laval, has opened offices in France, Poland and China, as well as one in Toronto. By doing so, the company has ensured that it has a presence in the field in its strategic markets, both in terms of technical support and sales. SynergX has also opened technical centres in China and South Korea that will be responsible for manufacturing certain inspection device components.

Customized consulting services

We provide companies considering internationalization strategies with individualized support. The requests we most frequently receive are for assistance in finding:

- Customers, distributors, partners or others in foreign markets
- Financing for international activities
- Professionals such as lawyers, tax specialists, commercialization and marketing consultants

However, the assistance we can provide doesn't just stop with the type of support listed above. We offer a whole range of personalized services designed to meet your needs.

New services to come in 2008

- **Guide to services:** This guide will outline all the programs and financial assistance available for companies working in international markets. Don't miss its launch in fall 2008!
- **International procurement:** Beginning in the fall of 2008, a special service will provide support for this strategic approach.
- **On-line reference centre:** The LTIBC is currently working to put together a virtual library of information that will be accessible via the LAVAL TECHNOPOLE portal (www.lavaltechnopole.com/LTIBC).

During the next few years, SynergX plans to consolidate its presence in Asia and strengthen its visibility in North America. In the longer term, the company is considering developing other market niches that will require a technology transfer for other types of glass.

SynergX

For further information about SynergX Technologies, please contact Stéphane Lemieux, Executive Vice-President and General Manager, at 450 978-1240, or visit the company's Web site: www.synergx.ca.

Watch for our next columns:



BIENVENUE STRATÉGIES CONSEILS





The new paradigm of international trade: **Integrative trade**

By Pierre Farah-Lajoie

Many Canadian industries, for example, furniture and textiles, have long refused to recognize new economic realities. It is only after having lost major customers or noted the closing of formerly thriving industries that the shockwave provoked by the massive influx of products manufactured in China has gradually begun to prompt management of major companies to react. For their part, few SMEs have shown themselves to be proactive.

Globalization has now given rise to new realities in terms of international trade that force companies to become more innovative and establish partnerships in order to maintain their level of competitiveness.

The creation of global supply chains and, above all, integration within them, have gradually become essential tools for success for companies operating in international markets.

In fact, in order to survive and grow on a global scale, companies can no longer simply engage in the traditional type of international trade that consists of importing or exporting goods and services.

Instead, companies must try to subcontract, supply and market internationally. As an example, a company that has offshore suppliers can also use that network to distribute its own products abroad, as well as import product lines from its suppliers that can be sold on local markets. The business model developed by SynergyX, outlined previously in this newsletter, provides a fine demonstration of how this can be done.

This crucial approach, known as integrative trade, combined with a firm will to succeed and prosper, constitute the new way to do business internationally.



To learn more about integrative trade, please contact Pierre Farah-Lajoie, Eng., M.Sc.A., PFL Solutions, by calling 514 497-8247 or writing to pflajoie@pflsolutions.com.

Shareholders' agreement: **the pact you can enact!**

By Me Bobby Doyon

At first glance, launching your own business is an exciting way of becoming your own boss. However, living the dream can turn into a veritable nightmare for a variety of unpredictable reasons. In order to avoid such inconveniences, you can plan ahead with a shareholders' agreement!

A shareholders' agreement is a good prevention and conflict resolution tool. **It is even more important when you do business internationally, as you may wish to preserve your business's Canadian residency, as well as the tax benefits resulting from such residency.** Such an agreement is essential, and should ideally be drafted at the moment of your business's constitution or acquisition. You should not wait until the sweet harmony that reigned over your business has soured.

The agreement sets forth mechanisms ensuring your business's continuity in the event of unexpected death, disease or accident, and will also cover several other potential sources of conflict.

We must add that it is necessary to call upon a legal advisor to draft your shareholders' agreement. This will ensure that it reflects your intentions and takes all of your business's needs into account.

As another considerably interesting benefit, a shareholders' agreement will also allow you to reduce your tax burden and that of your estate; the contribution of a legal adviser with tax expertise is therefore also advised.

Better safe than sorry! When it comes to your business, this could not be truer. Indeed, the small investment required to draft this agreement is nothing in comparison to the troubles that your business will avoid down the road.



**Joli-Cœur, Lacasse
Geoffrion, Jetté, St-Pierre**
AVOCATS

To learn more about shareholders' agreements, please contact Me Bobby Doyon, M. Fisc., Joli-Coeur, Lacasse, Geoffrion, Jetté, Saint-Pierre, LLP, by calling 418 681-3060, extension 2532 or by writing to bobby.doyon@jolicoeurlacasse.com.



Two new realities in doing business internationally

By Bruno Séguin, Advisor, LTIBC

One of the first actions following the launch of LTIBC was the publication of two new fact sheets, one titled *International procurement: A strategic approach*, and the other *Boost your international activities through the Internet: Delivering results at your clients' pace!* Both fact sheets were written in collaboration with experts in each of these fields: Pierre Farah-Lajoie of PFL Solutions and Luc Gendron of A.R.Y.A.N.E.

International procurement

When a company decides to use international procurement, it has to implement a supply function management strategy that will enable it to enjoy all the advantages of international procurement without, however, experiencing too many of its disadvantages. The search for and integration of one or several international suppliers requires the involvement of every part of a company, as well as consideration of a number of factors, all of which are dealt with in the guide. For example, it outlines the 16 steps that need to be taken before a company even places its first order (preparation of the team, definition of needs, search and selection of one or several suppliers, negotiation of prices, etc.). It also explains the 14 challenges of procurement in emerging markets.

Boosting international activities through the Internet

The Internet and other new information technologies provide many tools that make it possible for a company to abolish distances and speed up the development of its international business. Nevertheless, these same technologies put the customer in control of the customer-supplier relationship. In order to get new customers, as well as keep current ones, a company must ensure that it delivers results at its clients' pace, that is, according to the conditions and in the time frames that suit those customers, while at the same time requiring that its own suppliers do the same.



The Internet has to be regarded as a business environment with its own dynamics. The Internet makes it possible to look for customers or suppliers, promote a company's products or services, maintain relationships with customers and suppliers, negotiate, monitor new technologies and competitors, transact business and more. For all these reasons, management must quickly become aware of all the new technologies that can be used at each step of the customer-supplier relationship and make them a strategic issue for its corporate survival.

To receive free copies of these LTIBC fact sheets, feel free to contact Bruno Séguin at 450 978-5956 or visit our web site at: www.lavaltechnopole.com/LTIBC.

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