



LAVAL TECHNOPOLE International Business Centre

INTERNATIONAL NEWSLETTER



SPRING 2009

20-20 Technologies has a plan to beat the current downturn

20-20 Technologies is the world's leading provider of computer-aided design, business and manufacturing software solutions developed specifically for the interior design and furniture industries. Dealers and retailers use its products, whether on a desktop or Web platform, to serve both residential and commercial markets. Its solutions are available in 23 languages and have some 150,000 users in the 90 countries in which they are sold. With subsidiaries in 12 countries, more than 590 people work for 20-20 Technologies around the globe.

Obviously, given the market it targets, company management soon realized it was going to be directly affected by, on the one hand, the bursting of the real estate bubble and, on the other, the resulting world economic crisis. An action plan to counter the expected slowdown in sales therefore had to be put into place quickly.

"First, since salaries represent a major proportion of our expenses, we had to, unfortunately, cut staff," regretfully admits Jean Soucy, Director of International Sales. Fewer contracts meant that there was less work for its employees. "In addition to reorganizing our human resources, however, we also reviewed all our processes and cost structures," points out Mr. Soucy.

In the wake of those changes, 20-20 Technologies also revised its sales strategy. "We have redirected our efforts towards targeting SMEs, since they seem to be less sensitive to macroeconomic fluctuations. The big companies that normally generate most of the company's revenue have put their purchasing plans on hold due to the prevailing economic uncertainty. SMEs, which are taking advantage of the big players' nervousness, or are quite simply subject to a different market reality, are one type of clientele that has allowed us to compensate for the shortfalls of the last few months," continues Mr. Soucy.

Another component of 20-20 Technologies' action plan is the diversification of its vertical markets. The company's software has always enabled its commercial sector clients to design office spaces; just recently, it has launched new applications that can be used to design such work areas as laboratories. Software for the residential sector formerly concentrated on kitchens and baths; today, it incorporates the design of bedrooms and home offices. While up until this point the company met all the needs of designers, it is now creating solutions for manufacturers, thus adding related niches to its traditional markets.

Such is the broad outline of 20-20 Technologies' action plan. However, the company is also taking the long view since, in addition to meeting the challenges of the current economic situation, it is also preparing for the upturn. According to Mr. Soucy, the first signs of a recovery should appear in emerging

A message from the Director



All in all, 2008 was, in spite of the prevailing economic gloom, a rewarding year for all of Laval's exporting companies, as the update on page 3 shows. Laval's economic base is diversified and many companies have products with well-established niche markets, which explains their overall good performance.

The coming year, however, looks as though it will be more challenging, since companies around the world are suffering the adverse impact of the U.S. recession. Moreover, as an uncertain economic climate generally encourages companies to take a step back to reconsider their business processes and suppliers, the time is ripe to strengthen your visibility among your potential customers.

Take advantage of this slowdown to review your strategies and your markets. A number of possible solutions are suggested right in this newsletter.

Enjoy your reading!

Véronique Proulx, MBA

The LAVAL TECHNOPOLE International Business Centre is pleased to welcome Samir Naoum to its team as an advisor. Among other responsibilities, he will see to the establishment of our new International Supply Chain Optimization and Management Service.

www.lavaltechnopole.com/media/pressreleases

Continued on the following page



You can think about exporting... despite the economic uncertainties

Do you have the time and financial resources necessary to develop an export market? Despite the current economic situation, exporting can be a business decision that proves to be as satisfying as it is profitable, with the condition, of course, that you do all the ground-work required to protect your investment.

As in any major undertaking, exporting presents as many opportunities as challenges. The opportunities? Increased sales, profitability and overall competitiveness, decreased vulnerability (by diversifying your activities geographically), and the acquisition of knowledge and experience.

Naturally, you will have to meet a number of different challenges, including maximizing returns on your marketing expenses, handling certain cultural differences, and determining how much time, effort and resources you are willing to devote to establishing your presence abroad. There is one other fundamental question: How can you have complete peace of mind about exporting?

A **EULER HERMES** export credit insurance program can help.

Offering more flexible sales terms, getting better terms for loans and, especially, enhancing your customers' credit profile are just some of the benefits you can enjoy with such a program.

To be perfectly honest, the export credit insurance industry has also been affected by the current economic shocks. The increased number of claims is a direct cause of the hike in premiums, as well as a decrease in the coverage acceptance rate. It is therefore essential to the survival of your company to clearly identify potential customers' credit profiles in order to reduce the risk of foreign market-related non-payments.

To sum up, dealing with an uncertain global economy need not force you to limit or even set aside your plans for exporting. On the contrary, it can provide the perfect opportunity to review your strategies and viewpoints in respect to this important step.



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This room was designed using the software 20-20 Design. The visual was then rendered with the interactive Web software 20-20 Virtual Showroom.

Continued from the previous page

economies like India, China and the Persian Gulf countries in late 2009. "Their people have less debt than those in the United States, which should mean a quicker recovery in their consumption," he explains. The company will therefore make sure to increase its visibility in those markets at the right time—something it has already begun doing by taking part in the trade mission to the United Arab Emirates organized by the **LAVAL TECHNOPOLE International Business Centre**.

"An economic crisis isn't all bad," considers Mr. Soucy. "It can also be a time providing a company the opportunity to take a step back and look at what can be improved, as well as find new ideas and new ways of doing things. All in all, it can be a huge stimulus to creativity. We are thus getting ready for the future."



For further information about 20-20 Technologies, please contact Jean Soucy, Director of International Sales, at 514 332-4110, or visit the company's Web site: www.2020technologies.com.

Thanks to
our columnists!



BIENVENUE STRATÉGIES CONSEILS



Accès D Affaires' international services: Faster... and more efficient

The telephone rings. The head of a company tells me that one of its suppliers is offering a substantial discount on the purchase of a product that will no longer be manufactured. The only condition? It has to be paid for as soon as possible. "Do have a solution for us? The banks are closed right now, but we want to take advantage of this opportunity . . ."

Or I might hear the following: "I'm out of town and I forgot to leave some signed cheques behind, but I have a supplier that absolutely must be paid today . . . To top it all off, I didn't get any U.S. currency before I left. What can I do?"

Well, we do have a solution to such problems! Wherever you are in the world, if you have access to a computer, there is no problem! Since their launch in 2004, Accès D Affaires' on-line services have made international funds transfers (IFT), as well as cross-currency transfers, as easy as a click of the mouse!

Accès D Affaires' IFT feature enables member companies to transfer funds anywhere in the world including, of course, throughout Canada. As for the cross-currency transfer (CCT) function, it lets you carry out foreign exchange transactions between Canadian and U.S. dollars in real time and with a single click. There is no longer any need to visit your financial institution in person, or even pick up the telephone. Imagine your savings in time and the increased independence!

Are you wary about using the Internet? You should know that, for the last 7 years, our site, www.desjardins.com, has stood in the Top 3 of the 25 best Web sites aimed at Québec consumers. Sécor issues this ranking, known as the Indice Sécor-Commerce, each year. In addition to that of Desjardins, it recognizes the quality and transactional security of the Web sites of such organizations as Air Canada, Bell, the CBC and Videotron.

To make the most of all the international features offered by Accès D Affaires, be sure to contact me: it will be my pleasure to help you improve your company's performance.



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Update on Laval's exporting companies and the LAVAL TECHNOPOLE International Business Centre

In spite of the difficult economic situation, Laval's exporting companies had a good year in 2008. The following data illustrate this:

- \$3.25 million increase in international sales¹ for those companies taking advantage of our services
- \$7.45 million worth of estimated economic spinoffs resulting from the use of our services
- 12 companies began to export with our help
- 17 companies diversified their export markets with the International Business Centre's support

The collaboration of the International Business Centre greatly contributed to these results:

- 98 companies received individual support, some of them on more than one occasion
- 8 consultation mandates were carried out
- 2 trade missions and 7 training sessions were organized

Overall, over 200 business leaders benefited from our services during the year. Close to 50% of the companies using our services did so more than once, which demonstrates just how much Laval businesses value and appreciate them.

It should be pointed out that the **International Business Centre** works in close collaboration with the entire business community. In 2008, for example, more than 90 of our clients were referred to our various partners.

As you can see, thanks to its team's dedication to ensuring the success of local companies, the **International Business Centre** plays a significant role in helping to create wealth in Laval.

In 2008, we put our creativity to work in order to provide support to exporting companies during a period of recession. We will be sure to double our efforts in 2009 to help you weather the current economic storm.

1. Survey conducted among 165 companies in June 2008.



Do you really know your competitors?

By Bruno Séguin, M.Sc.
Advisor, LAVAL TECHNOPOLE International Business Centre

The global economic slowdown we are currently experiencing affects practically all companies through its shrinking of their potential markets and the resulting growth in competition. Within a globalized economy in which there are increasingly shorter product lifecycles and supply is just as international as demand, it becomes even more difficult, although crucial, to be aware of exactly who one's competitors are and what their market position is. Knowing this will enable a company to thrive, protect its market share and/or identify particular market niches or business opportunities.

In order to be able to do this, however, you must first conduct an analysis of the competition. Ideally, such an analysis should be carried out internally, but it can also be entrusted to an external specialist firm. It will involve the following main steps:

- finding secondary data on competitors and industry trends (newspaper and magazine articles, Web sites, existing studies, etc.);
- identifying, and then contacting, industry experts (personal contacts, journalists, trade association staff, embassy personnel, etc.) who will be able to share some of their viewpoints on the market;
- identifying, and then contacting, current and potential customers in order to verify their present and future needs, their knowledge about competitors and their evaluation of the latter;
- identifying, and then contacting, competitors in order to find out more about their products or services, processes, guarantees, prices and contract terms, etc.;
- taking part in trade fairs or customized trade missions, such as those organized by the International Business Centre, in order to personally meet current and potential customers or competitors.

The findings of such an analysis can be used to define a corporate strategy and a company's positioning in respect to its competitors. They can be presented in the form of a trend chart or any other type of analytical table enabling management to make informed decisions quickly.

Once the strategy has been deployed, the company must implement a continuous business intelligence process that will enable it to monitor major technological, marketing, competitive, regulatory and environmental trends. The idea here is to design a trend chart that can be updated regularly by using the information gathered during day-to-day operations. Continual updates reduce the risk of nasty surprises and preclude the need to conduct another competitive analysis from scratch with each change in strategic plan.

Even though SME executives often like to rely on their instincts, it is becoming increasingly important to implement competitive intelligence processes in order to better anticipate changes in their markets and industries. Such processes do not have to necessarily involve a great deal of time or be expensive in order to prove useful and effective.

Along the same lines, it should not be forgotten that every contact with a customer or competitor must represent an opportunity to ask questions and find information about the market. Although carrying out a market or competitive analysis does allow you to spot leads, you should avoid falling into the trap of only speaking about your company or products in the hope of making a quick sale.

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