

LAVAL

A newsletter published by
LAVAL TECHNOPOLE EXPORT

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EXPORT

MERCADOR : EXPORT LEADER

MEP Technologies Spectacular Growth

In 1990, Armand Afilalo acquired MEP Technologies, a company founded in 1959 that manufactures high-precision metal products for high-tech sectors. At the time, the company had 13 employees and was not exporting. Since then, MEP has grown by leaps and bounds, to over 300 employees. Also, the company now exports to the U.S., which accounts for 90% of sales.

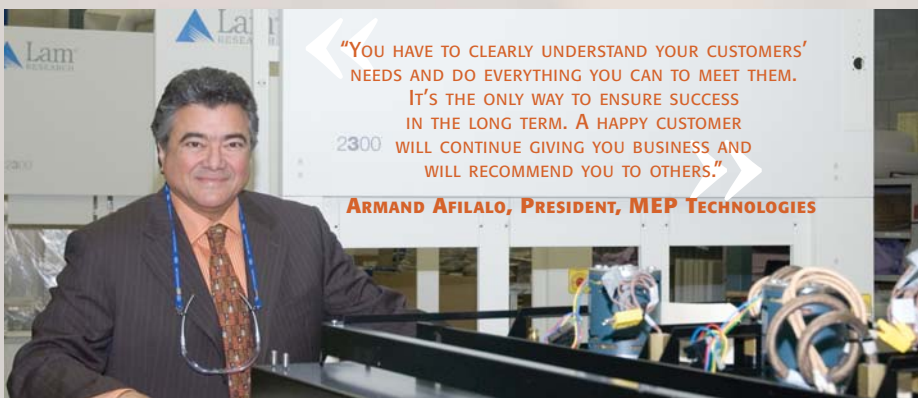
Today, MEP has a foothold in the states of New York, Connecticut and California, as well as in Chicago and Boston. It is well established in the semi-conductor industry for which it designs and manufactures enclosures that house robots that etch microchips. The company services the industrial, electronic and electrical sectors.

MEP began exporting south of the border in 1997. "We saw it as a promising market," explains company president Armand Afilalo. "When we found our first customer, we knew we had to build a relationship of trust. This took a tremendous amount of effort because we had to prove that our quality and service were miles ahead of the competition."

The hard work paid off. The satisfied customer recommended MEP to other companies, and business took off. "Sales are up tenfold in 10 years, all due to word of mouth," says Mr. Afilalo.

In order to penetrate and succeed on the fiercely competitive American market, MEP has set itself apart by offering one-stop shopping. "Our services range from product design right through to integration into the customer's installations," explains Mr. Afilalo. "The products are manufactured at one of our three Laval plants, which are equipped with state-of-the-art equipment. What's more, when our customers visit us, they enjoy cutting-edge information technology that allows them to work as if they were in their own office. We've spent a lot of money to make sure they find everything they need under one roof. You could say we're an extension of their engineering department."

In order to fully control the quality on which it stakes its reputation, the MEP team does not outsource any aspect of the business, even owning its own delivery trucks. "We have to hold on to our customers' trust, a key element for anyone who wants to succeed in the U.S." concludes Mr. Afilalo. 🌐



Business development with an international flavour

This year's MercadOr Gala, themed "Une soirée qui a du punch !," will pay tribute to 15 companies, five of them from Laval, that have set themselves apart on the international stage.

The organizing committee (Laval section) is proud to present the five 2007 winners. The MercadOr awards the "new exporter" prize to companies that have successfully penetrated their first market. The "market diversification" prize rewards a business that has adapted its product and strategy to more than one market, while the "export leader" prize goes to a company whose performance abroad makes it an example to follow.

A new category has been added for 2007 "foreign expansion" to highlight the achievements of companies that have made the leap to another country, a necessary strategy in some markets and for some products.

The way to grow is through international expansion and innovation on all fronts, including marketing. Our five winners epitomize innovation, a must in order to make it in the global arena. Ask them what it takes to succeed and they'll tell you: in-depth knowledge of your customers' needs, a solid partner network, a competent team and whole lot of perseverance.

In this special edition, you'll read the success stories of Laval's five prizewinners. We hope you enjoy our newsletter. Congratulations to our laureates! 🌐

MERCADOR 2007 ORGANIZING COMMITTEE –
LAVAL SECTION

The MercadOr 2007
Organizing Committee –
Laval Section consists of

BDC, DEC, EDC, IQ, MDEIE,
LAVAL TECHNOPOLE EXPORT.

ORBI Construction Group Staying in the game by expanding south of the border

Specializing in the planning, manufacturing and erection of architectural and ornamental metal structures, ORBI Construction Group was founded in 1990. ORBI has since executed many large-scale projects for such prestigious clients as the Université de Montréal, the Smith College Fine Arts Center, the Bibliothèque nationale du Québec and the Canadian Aviation Museum.



“YOU HAVE TO HANG IN WHEN THINGS GET TOUGH. SOMETIMES YOU HAVE TO ACKNOWLEDGE THAT THE WAY YOU’RE DOING THINGS NO LONGER WORKS AND YOU MUST HAVE THE COURAGE TO CHANGE IN ORDER TO BECOME BETTER.”

CARLOS STELLA
PRESIDENT
ORBI CONSTRUCTION GROUP

Although ORBI broke into the U.S. in 1998, it did not begin seriously exporting to that country until 2001. “We got the ball rolling towards the end of 2000,” explains company president Carlos Stella. “We felt out the market, took some courses and participated in a few missions, including one with the Association de la construction du Québec. One of our first projects was for Harvard University, in Massachusetts.”

At the time, ORBI outsourced the installation of its U.S. projects to American sub-contractors. A low exchange rate made the company’s prices competitive. However, that changed when the loonie started to rise in 2003. “We had to restructure and review our ways of doing things. One of the changes was to stop outsourcing the installation aspect and to do it ourselves.”

Thus, in 2005, ORBI decided to open a branch in Florida, where most of its U.S. sales are generated. The company entrusted the task to one of its employees. “We had to get visas for him and for three other employees who joined him,” says Mr. Stella. The team was subsequently completed by local workers hired by referral or through local ads. ORBI also had to obtain a general contractor’s license and adequate insurance coverage. “The hardest part was convincing our American clients that we could service them from Quebec since everything is designed and produced in Laval and then shipped by truck. The marketing plan we developed with LAVAL TECHNOPOLE EXPORT’s input was a great help as was the support we got from the American Builders and Contractors Association. Today, things are going well. Our clients recommend us to other companies, and we’re increasingly invited to bid on projects. In fact, U.S. sales now account for 18% of revenues.”

Although ORBI is concentrating on Florida, it is also setting its sights on Washington, where it hopes to secure some building and office construction contracts in the coming months. 🌐



SynergX Technologies Laval company competes with the world’s glass-producing giants

Thanks to its glass inspection systems, SynergX quickly carved itself a place among the world’s brewing and glass multinationals and today generates more than 80% of its sales abroad. The company’s container inspection systems can be found in Canada’s Labatt and Molson plants, in six U.S. Miller plants and in seven South Africa Breweries (SAB) plants in South Africa.

SynergX also manufactures inspection systems for automotive glass. “We design and build glass inspection systems using artificial vision technology,” explains general manager Stéphane Lemieux. “The images are analyzed by software developed in-house to determine if the product conforms to the customer’s standards.”

SynergX began exporting soon after it was founded. Seasoned businessmen Stéphane Lemieux and partner Kenneth Wawrew used a simple strategy: they capitalized on their vast network of contacts. Mr. Lemieux explains: “I spent a long time in the brewing industry while my partner had extensive experience in the glass business. We got to know many people in China, Japan and Europe, and this made things easier.”

SynergX customers all have one thing in common: they are all major players in their field. This was a big advantage that the company did not fail to leverage. “Rather than knocking on each one of our customers’ plants, we went straight to head office where the decisions are made,” continues Mr. Lemieux. “This is both more efficient and cost-effective. When a company is interested in our systems, it usually conducts a pilot test, after which it recommends us to its other plants.”

All R&D, assembly, administration and quality control activities take place in Laval where SynergX employs close to 25 people. The company also has offices in Toronto, Paris, Poland and China. “We also have an Australian partner who works on commission and covers Korea, Japan and South Asia. For financial reasons, we use direct selling everywhere except in emerging countries, and we open an office in a given area only when justified by sales.”

SynergX is working on consolidating its presence in Europe and on developing the Asian market. “We’re also going after the U.S., where the only reason we have a foothold is because SAB, the owner of Miller breweries, is one of our customers and pushed our technology into the Miller plants,” continues Mr. Lemieux. “We’re also eyeing Mexico and Brazil, and will continue to invest in R&D in order to adapt our technology to other types of glass.” 🌐

“THE KEY TO EXPORTING SUCCESS IS FINDING PARTNERS AND EMPLOYEES YOU CAN TRUST, ESPECIALLY WHEN YOU’RE NOT ON SITE. I BELIEVE THE BEST WAY TO RECRUIT TOP PEOPLE IS BY ASKING OUR CONTACTS FOR REFERRALS.”

STÉPHANE LEMIEUX
GENERAL MANAGER
SYNERGX TECHNOLOGIES

Ébénisterie Les Anciens - Quebec-made furniture appeals to Americans

Ébénisterie Les Anciens was founded by Michel Gince in 1967. In the 1960s, Mr. Gince, a decorator at the time, built antique-style armoires to hold his many samples. When more and more customers started asking to buy the armoires, Mr. Gince eventually turned to the business of reproducing antique furniture, buying a production plant and creating Ébénisterie Les Anciens.



“IT DOESN'T TAKE MUCH TO START EXPORTING. BUT YOU HAVE TO BE PATIENT AND PERSISTENT BECAUSE SUCCESS DOESN'T ALWAYS COME RIGHT AWAY.”

MICHEL GINCE
DIRECTOR – MARKETING
AND MARKET DEVELOPMENT
ÉBÉNISTERIE LES ANCIENS

Over the years, the company has resisted fad trends, even during hard times when it was tempting to turn to less costly techniques and materials. True to its niche, the business flourished and set itself apart thanks to its unique design and production process and by offering custom-built furniture. Today, Ébénisterie Les Anciens boasts a catalogue of more than 4,000 pieces of furniture in 50 stains and finishes, not including its made-to-measure pieces. The company employs 25 people, has a 20,000-sq-ft plant and two showrooms, one in Laval and one in Montreal, where its sells directly to consumers.

In the early 2000s, Ébénisterie Les Anciens began receiving requests for its products from the U.S. “We tested the market by participating in two trade shows,” explains the founder’s son, also named Michel, and the company’s Marketing and Market Development director. “Among other things, we learned that the name “Les Anciens” was not going to work in this market and that we were going to have to adapt some of our products.”

However, because it was focusing on making inroads into the Quebec market, the family decided to temporarily shelve its export project. Three years ago, it felt the time had come to revive it. “This time, we began exporting under the name L’Ancestral,

under which we sell to Quebec stores,” explains Mr. Gince. “And since we had no exporting experience, I signed up for the NEXPRO training program. The language barrier was also a problem so I enrolled in English courses. However, our biggest challenge was finding American representatives. Thanks to our contacts, we now have one in New York State and one in Connecticut.”

The company also decided to drop shows and exhibitions in favour of “truck shows,” a concept whereby Mr. Gince visits potential customers with a truck set up like a showroom and his reps, who make the appointments. “Customers really like this method because it lets them see and touch our products without going out of their way,” says Mr. Gince. “And for us, this is a cost-effective and efficient way to reach salespeople who are touch with consumers, giving us a better pulse of the market.”

Focused until now on the New England, Connecticut, New York State and Pennsylvania markets, which account for nearly 20% of sales, Mr. Gince is now looking to increase the number of truck shows in order to penetrate new markets. 🌐

MMC Automation - Breaking into the U.S. cosmetics industry

Founded nine years ago, MMC Automation designs and manufactures high-speed assembly systems. As company president Ivan Stecko explains, the company was targeting a very specific clientele at the outset, namely, pen manufacturers. “Our first customers were multinationals like BIC and Pilot. In order to serve them, we set up an entire engineering department and adopted a flexible approach, producing made-to-order machinery, which has since become one of our distinguishing features.”

Things went well for two years, until China found its way into the writing industry in 1990. “We were lucky to be close enough to our customers to see it coming,” explains Mr. Stecko. “The products our machines were producing were coming from China at prices that we simply couldn’t match. We knew that sooner or later, our customers would no longer need our services.”

So MMC set out in search of a new niche. The American cosmetic container assembly industry looked like the way to go. The company slowly began shifting to exporting, a process that took two years. “We researched the market, targeted some companies and met with the decision makers, many of whom were immediately interested in our products,” continues Mr. Stecko. “The fact that we had already worked with multinationals made things easier because it gave us credibility.”

But once again, history repeats itself, with China infiltrating the cosmetic parts suppliers. “We were on the lookout for signs and reacted quickly, turning to the cosmetics manufacturers themselves, those who fill the containers that our customers produced with our machinery. We once again adapted our products and succeeded in becoming L’Oreal’s official supplier, which opened the door to other major players in the industry. In just a few years, our exports to the U.S. cosmetics market jumped from 10% to more than 95%.”

Needless to say, the company is very careful these days and is seeking to reduce its exposure by targeting the pharmaceutical industry. “In December, we moved into our own premises, which are set up to better meet the standards of the cosmetics industry and eventually the pharmaceutical industry. We’re thinking long term,” concludes Mr. Stecko. 🌐



“IN ORDER TO SURVIVE IN TODAY’S HIGHLY VOLATILE MARKET, A BUSINESS HAS TO BE VERY FLEXIBLE AND BE ABLE TO ADAPT TO DIFFERENT INDUSTRIES SINCE IT’S ALMOST IMPOSSIBLE TO PREDICT WHAT THE FUTURE WILL BRING. ALSO, YOU MUST AVOID BEING DEPENDENT ON ONE INDUSTRY OR CUSTOMER.”

IVAN STECKO, PRESIDENT, MMC AUTOMATION

*Message from the
Mayor of Laval*



I'd like to congratulate all the exporters who won a MercadOr prize: men and women who have taken up Laval's economic challenge and who have done their part to make our City shine.

Our companies can only grow if they reach out beyond our borders. Those that succeed, like our 2007 winners, are those that come up with innovative products and marketing strategies to set themselves apart on the world stage.

We can't say it enough: market diversification is the best way to lessen risk, in other words, the more a company diversifies geographically, the less vulnerable it will be to market fluctuations. If one goes sour, the company can always shift its efforts to another until the situation improves in the first market.

In this vein, I strongly encourage our local businesses to align themselves with LAVAL TECHNOPOLE EXPORT, a skilled group of professionals that can make all the difference when trying to make your mark abroad.

Once again,
kudos to our 2007 MercadOr winners!

Gilles Vaillancourt
Mayor of Laval



National Bank is proud to congratulate the dynamic, creative, and successful companies that were awarded the MercadOr 2007 distinction. Continued success to all!

www.bnc.ca/international



Congratulations
to all the 2007
MercadOr winners

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Congratulations
to this year's winners!
Well done!

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FOR MORE INFORMATION ON THE MERCADOR,
VISIT WWW.LAVALTECHNOPOLE.COM

CONGRATULATIONS TO ALL OUR WINNERS!

WHY NOT THE WORLD?



Why not, indeed ? LAVAL TECHNOPOLE EXPORT offers local companies all the support, ideas, contacts and training required to put the global market within their reach.

- A centre providing export support and assistance in conjunction with government institutions ;
- Export consulting services and strategies ;
- Training and market discovery ;
- Hosting of international buyers ;
- Foreign market development missions ;
- Information on financial assistance programs ;
- Practical guides and useful documentation.

Conquering the world takes preparation... and the LAVAL TECHNOPOLE EXPORT team is the partner of choice for your endeavour.



Phone : 450 978-5959
www.lavaltechnopole.com

LAVAL TECHNOPOLE EXPORT attends the International Builders Show (IBS)



From February 7 to 10, Orlando hosted the largest construction show in the world. The International Builders Show, commonly referred to as the IBS, attracted more than 1,900 exhibitors from the construction industry: architects, engineers, sub-contractors, builders, distributors and manufacturers. Taking up over 1 million square feet of space, the show pulled in nearly 103,000 visitors from 100 countries.

Organized by the National Association of Home Builders (NAHB), the IBS helps building industry professionals remain abreast of what's new in their field.

That's why LAVAL TECHNOPOLE EXPORT visited the show, where more than 120 Canadian companies showcased their products and services. For more information on the IBS, call Frédérique Thomas at 450-978-5902. 🌐

UPCOMING ACTIVITIES

LAVAL TECHNOPOLE EXPORT

APRIL

- 12 *Rendez-vous des PME* – National Bank of Canada / International Portion **A**
- 17 Mornings Without Borders: "Doing Business with Eastern Europe" **A**
- 18 Les Mercadors Awards **R**
C-TPAT Training and coaching program (ongoing) **R**

MAY

- 10 Cocktail – LAVAL TECHNOPOLE EXPORT's 10th Anniversary **R**
- 17 Mornings Without Borders: "Doing Business with China" **A**
C-TPAT Training and coaching program (ongoing) **R**

JUNE

- 6-7-8 12th International Business Development Forum – *Futurallia Poitiers (France)* **A**
C-TPAT Training and coaching program (ongoing) **R**

For more information, visit www.lavaltechnopole.com

LEGEND

- N** Novice (is beginning to or is interested in exporting)
- I** Intermediate (exports to one country)
- E** Experienced (exports to more than one country)
- A** For all
- R** Reserved for a specific group

THE MERCADOR ORGANIZING COMMITTEE – LAVAL SECTION



Canada Economic Development / Développement économique Canada

Canada

Développement économique, Innovation et Exportation

Québec

Investissement Québec



Diversify your markets

In order to encourage Laval companies to diversify their markets, LAVAL TECHNOPOLE EXPORT organized two conferences on the subject last winter. Thus, a breakfast workshop on the United Arab Emirates (UAE) was held on February 16, followed by a luncheon conference on Tunisia on March 20. The guest speakers at both events presented business opportunities in their respective countries. Some of the highlights:

UNITED ARAB EMIRATES

A beacon in the Gulf region, the UAE offers considerable advantages to foreign investors: average annual growth of 5% since 2003, attractive tax incentives, easy access due to its ports, opportunities in many sectors, a vibrant economy, and a stable political environment.

Import demand is highest in the construction sector, and especially in the institutional segment. For example, in 2002, the country launched the Dubai Healthcare City (DHC), a mega project that will see the construction of a medical centre that includes a university teaching hospital (affiliated with Harvard Medical School) and a research facility geared to post-graduate training, training in the workplace and clinical education. Scheduled for completion in 2010, this project will cost about US\$1.8 billion. Moreover, in 2005, the General Authority for Health Services managed a budget of over US\$800 million, most of which was allocated to hospital construction or renovation.

Other growing sectors are machinery (heavy machinery), transportation, chemical and pharmaceutical products, medical equipment, food, fast food, and business services.

TUNISIA

The Tunisian economy is considered among the most competitive in Africa and the Arab world, growing 5% annually for the last 10 years. Thanks to its central location at the crossroads of Europe, the Middle East and Africa, its political stability, vibrant economy and free-trade agreements with many countries, Tunisia offers a lucrative market for companies looking to go global.

With its diversified, robust economy, Tunisia ranks among the world leaders in many areas:

- 3rd in terms of ability to avoid “wastefulness of government spending”
- 4th in terms of “government procurement of technology products”
- 4th in terms of “incentive policies for technological innovation”
- 10th among countries least affected by “favouritism in the decisions of government officials”
- 11th in terms of “quality of the education system”
- 17th in terms of “time required to start a business.”

For more information on these two countries, please call 450-978-5959. 📞

Conference on Tunisia



*From left to right:
Mr. Mounir Adhoum, Economic advisor, Embassy of the Republic of Tunisia in Canada,
Mr. Mahrez Rekik, President of Club des gens d'affaires tunisiens au Canada,
Mr. Abdesslem Hétira, Ambassador of the Republic of Tunisia in Canada,
Mr. Gilles Vaillancourt, Mayor of Laval, Mrs. Véronique Proulx, Advisory Services
Interim Director of LAVAL TECHNOPOLE and Mr. Robert Dubé,
Executive Director, LAVAL TECHNOPOLE.*

Message from the Commissioner

LAVAL TECHNOPOLE EXPORT: 10 years of making a difference



BY VÉRONIQUE PROULX
INTERIM DIRECTOR
ADVISORY SERVICES
LAVAL TECHNOPOLE

It's now been 10 years since LAVAL TECHNOPOLE created an export division and 10 years that we've been offering advisory services and activities, helping local companies make their mark abroad and leading the way as the foremost providers of international business development services in Laval.

We will be celebrating our 10th anniversary throughout the year and will be hosting a special event on May 10. Check out our activity calendar for more details.

LAVAL TECHNOPOLE EXPORT is always looking to improve its services and 2006 was particularly productive in this regard. For example, we brought together nine seasoned exporters to form the Réseau Laval International, and we placed greater emphasis on specialized training such as the C-TPAT and customs compliance training and coaching programs.

We also organized four trade missions, including a virtual one to Mexico. In all, these trips are expected to generate C\$7.4 million in spin-offs, of which C\$2 million already materialized in 2006. Finally, we offered more personalized services in order to better advise and guide our clients with their business development.

With our international and local network of contacts, training programs, trade missions and advisory services, LAVAL TECHNOPOLE EXPORT is well placed to help you succeed abroad. Call us today. 📞

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