

BUSINESS PROFILE

Nordwall Americas Achieves Phenomenal Growth

In the last year, the number of employees and sales of modular wall manufacturer Nordwall Americas have tripled while the number of its North American distributors has jumped from 9 to 42.

“LAVAL TECHNOPOLE HAS GIVEN US AN EXCELLENT HELPING HAND SINCE DAY ONE, IN 1999. IT OFFERED FINANCIAL SUPPORT BUT MOSTLY ADVICE FROM ITS EXPERTS WHO, AMONG OTHER THINGS, POINTED US TO GOVERNMENT AGENCIES WHO COULD HELP THE COMPANY.” DANIELE ANGELOZZI, PRESIDENT AND CEO, NORDWALL AMERICAS



Nordwall Americas generates 90% of its sales in the U.S., where it sells only to distributors in the niche market of mid- and high-end office finishing products. “Our distributors market and promote our products in their respective markets but can also sell to the end consumer,” explains chief executive Daniele Angelozzi.

As Mr. Angelozzi points out, distributors who work with Nordwall must fulfill certain criteria. “First, they must be well established in their markets. They must also have an employee who is very familiar with our niche and who will come to be trained at our Laval offices. Finally, they must display our walls in their showrooms.” Distributors are also responsible for wall installation. Installers must be trained and certified by Nordwall, which supervises the first few projects.

Nordwall chose this way of doing things in part because it prefers to concentrate on its strengths: R&D and production. “Our distributors have resources and knowledge that make them better at marketing and sales than we can be from

a distance,” adds Mr. Angelozzi. “Our business model was designed to share our processes with them. Moreover, we work with a limited number of distributors on each territory, which gives everyone a greater market share and motivates them to invest more time and money in our company.”

This strategy has obviously paid off for Nordwall, which expects a fourfold increase in sales this year. While this phenomenal growth projection can be explained by the fact that Nordwall’s industry segment is booming, it is largely due to the company’s product quality. In fact, Nordwall’s modular walls are considered among the best on the market. “Our solutions are highly flexible and our turnaround among the fastest in the industry,” says Mr. Angelozzi.

Building on this growth, Nordwall opened a 4,000-sq.-ft. showroom in Chicago last June, in the building that houses the industry’s largest trade fair each year: the Neocon. “We’ll be opening others in Dallas, Manhattan and Seattle by year-end,” adds Mr. Angelozzi. 🌐

Message from the Commissioner

Your Gateway to the International Marketplace



BY VÉRONIQUE PROULX
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If you’re looking for customers, manufacturing agents or distributors or to surround yourself with competent professionals internationally, we have a vast contact network for you to tap into.

LAVAL TECHNOPOLE EXPORT has spent more than a decade building ties with partners around the world to make it easier for Laval businesses to penetrate foreign markets. Many companies have used our network over the years, breaking into and even gaining a foothold in some markets.

This year, LTE is also focusing on the domestic market, more specifically, Western Canada, and will leverage its pan-Canadian contacts by leading a networking mission out West between November 6 and 9. For more information, turn to our export advisor’s column on the last page. 🌐

What is your C-TPAT R.O.I.?

Following September 11th, 2001 and in order to secure supply chains of products coming in to the US, the U.S. Customs and Border Protection created C-TPAT. The C-TPAT initiative is usually first perceived as a constraint rather than an opportunity. Beyond that first impression, you must ask yourself a more fundamental question: What is the value of your US and international clients?

Besides being a «cross-border insurance policy » to international markets, your C-TPAT membership provides other significant Return On Investment (R.O.I.) such as:

- Better logistic and insurance cost control;
- Capacity to participate on C-TPAT qualified RFx;
- Support and stimulate your international business development;
- Increase your company value when selling it.

Rigorous security (integrity) management process is now considered a corporate function as strategic as marketing,

finance, R&D, personnel, supply and production. It must be integrated within world class company's mission and goals. It is not enough just to say so... You must prove it, record it and do it!

A.R.Y.A.N.E. has been providing C-TPAT training and consulting services since 2003 to manufacturers and carriers. A.R.Y.A.N.E. is proud to mention that it is currently working with LAVAL TECHNOPOLE EXPORT's members to support their C-TPAT compliance process. Get in touch with either your LTE export advisor or with us in order to find out more about possible government financial support in helping your company to become an active C-TPAT member. 🌐

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Credit Insurance

What were you doing during the warm days?

Lets extend this short summer or ours by discussing a hot topic... Small and medium sized companies (SMEs) and exports. According to a TNS Canadian Facts research completed for UPS, Canadian SMEs are reluctant to export their products/services. Even worst, only 3% of them have exported internationally. The danger? Lose the competitive hedge abroad and, by "ricochet", in Canada. The solution? Increase your export markets. After all, it is by competing with the strongest that you will be able to strive.

To increase your chances of success, you will include credit insurance in your marketing strategy. This tool, on top of

protecting you against your clients' non-payment, will allow you to safely accelerate your global expansion. Your accounts receivables being covered up to 90% will allow you to offer attractive payment terms to your customers as well as increasing your bank borrowing. Furthermore, the insurer will evaluate the financial strength of your potential clients. Your sales will then be directed towards financially healthy companies, thus reducing the risk of not getting paid by them.

Just like Jean de La Fontaine's cicada, don't find yourself wanting when the north wind comes. 🌐



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MercadOr Gala



For the ninth straight year, LAVAL TECHNOPOLE EXPORT (LTE), the Société de développement international de Lanaudière and Laurentides International highlighted the success of 15 businesses that distinguished themselves on the international stage. Held on April 18 under the theme "Une soirée qui a du punch!," the MercadOr Gala was organized in collaboration with the Business Development Bank of Canada (BDC), Canada Economic Development (CED), Export Development Canada (EDC), the ministère du Développement économique, de l'Innovation et de l'Exportation (MDEIE), and Investissement Québec (IQ). More than 100 people attended the event. 🌐

The 2007 winners for the Laval region: from left to right: Ken Wawrew (*Technologies SynergX*), Ivan Stecko (*MMC Automation*), Armand Afilalo (*MEP Technologies*), Carlos Stella (*Groupe Orbi Construction*)
Second row: Michel Gince Jr. (*Ébénisterie Les Anciens*), Patricia Gince (*Ébénisterie Les Anciens*), Michel Gince (*Ébénisterie Les Anciens*), Louise Massicotte (*Ébénisterie Les Anciens*), Véronique Proulx (*LAVAL TECHNOPOLE*)

Mornings Without Borders

Five workshops on various countries and regions were on the program of this year's Mornings Without Borders. Once a month, LTE held a breakfast conference themed "How to do business..." in certain parts of the world, namely, the United Arab Emirates, the Southwestern United States, Eastern Europe, China and Western Canada. More than 60 entrepreneurs attended these workshops. Thank you to all our speakers, our sponsor, the National Bank, and our financial partners, CED and the MDEIE. 🌐



LTE celebrates its 10th anniversary



On May 10, LTE celebrated its 10th anniversary by inviting its partners and clients to the Marcellin-Champagnat theatre for an hour of laughs with Quebec comedian Louis-José Houde, preceded by speeches by Robert Plante of the Laval mayor's office and Véronique Proulx, LAVAL TECHNOPOLE's advisory services director. More than 200 people turned out for this stimulating evening. 🌐



Véronique Proulx, Sophie Mainville, Frédérique Thomas and Bruno Séguin

Export Alliance Construction 2008

Mark it down on your agenda!

The 7th edition of Export Alliance Construction will be held on February 4, 2008. For a second year the event will welcome buyers from the American North-East and Western Canada. This one-day individual networking event will enable Quebec manufacturers in the residential, industrial, commercial, and institutional construction sectors to meet with general contractors, architects, distributors, and manufacturing agents.

This will be an exceptional opportunity to make contact with about 20 American and Canadian buyers and to participate in various networking activities.

More information soon on the Web site of Export Alliance Construction: www.exportalliance.com

This event is organized by the World Trade Centre Montréal, the team of international trade experts of the Board of Trade of Metropolitan Montreal, in partnership with the Ministère du Développement économique, de l'Innovation et de l'Exportation and the Société d'Habitation du Québec.

DO YOU MANUFACTURE AN INNOVATIVE PRODUCT? Earn the exclusive opportunity to present your product to all the buyers during a special activity on the evening preceding the event. For more information, contact us at: nmonnette@cmm.qc.ca or 514 871-4002, local 6218



On Our Way to a Loonie at Parity with the US Dollar? Customizing your strategy

Whether you import or export, currency volatility has a great impact on your business decisions. In a context where the Canadian dollar has appreciated by close to 10% in the last twelve months and where parity seems underway, companies with specific price structures in the short term have several possible strategies to choose from:

- The use of natural hedging (using US\$ receivables to pay US\$ suppliers)
- Converting your debts to US dollars and using US\$ receivables to pay off the debt
- The use of swaps and forwards
- The use of flexible derivative products such as average rate forwards, collars, etc.
- Using a diversified tailor fitted global approach based on your company's projections.

Using one or more of the above strategies will enable you to transfer the foreign exchange risk stemming from currency fluctuations to the National Bank. The overall

goal is to protect your margin of profit and maintain a healthy cash flow. You'll then be able to concentrate all your energy on what matters most: running your business!

At National Bank, our team of Advisory Services Traders and currency specialists can help your small and medium sized business choose the right strategy. We can evaluate your needs and provide a precise customized strategy for you company. We can also provide pertinent, up to date information about the markets and even specific industries.

BY JEAN EMMANUEL ALFRED
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Legal

The distribution contract: to succeed its negotiation in order to succeed in foreign markets

When you contact a potential distributor, who will purchase your products for resale, there are many conditions to negotiate. For example, when considering a certain territory or market segment, will the agreement be exclusive or non exclusive? In order to give the distributor exclusivity, one must be certain that the distributor possesses the resources and necessary contacts, and one must impose an obligation of performance (minimal compulsory purchases), spread over the duration of the agreement. Such duration should not be, usually, of more than two (2) years, in order to allow a re-evaluation of the distributor's performance. Who needs an exclusive distributor without sales!

Will the distributor solely distribute your products? If not, may you terminate the contract if your competitor takes control of the distributor? In all cases, the use of your trademarks must also be restricted and the contract must include a clause prohibiting infringement, which will remain valid even once the agreement with the distributor has ended.

As for the sales transactions, essential clauses include, without limitation: the conditions related to ordering, delivery and payment, the penalties in the case of

delays or default in payment, the scope of the product warranty and after sale services, what type of credit is made available and the selection of the currency.

For what reasons may you be allowed to terminate the contract? And how to proceed? In the case of litigation, choose arbitration (ex: Canadian Commercial Arbitration Centre and the International Chamber of Commerce) and determine which law will be applicable for interpretation. It is your distributor who will be principally responsible for your success on foreign markets. As specialists in international commerce, we can provide recommendations on the contractual clauses that are best adapted to your business. 🌐

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Japan

The second largest economy in the world, Japan nevertheless represents a tiny market for Laval companies. According to a 2005 survey conducted by Guilbault et associés on behalf of LTE, Asia only ranks fourth (18.3%) as an export market for Laval firms, behind the U.S. (86.7%), Western Europe (43.3%) and Eastern Europe (21.7%).

Yet the Japanese market offers tremendous opportunities. Its growth is increasingly being fuelled by domestic demand, its employment situation is improving, and consumer spending and investments are on the rise. The Japanese economy is surpassing projections on all fronts, i.e., the agrifood, construction, IT, environment and biotech sectors.

Companies interested in doing business in Japan must offer a value-added product or service and be prepared to invest time and money to earn the trust of potential partners. This is because the Japanese attach tremendous importance to

human relationships and do not do business after just one meeting. They also place more value on high-quality products and are usually prepared to pay more for them.

For example, in the agrifood industry, Japanese consumers are abreast of all the latest food trends, especially concerning foods with potential health benefits. They are therefore very demanding consumers.

To familiarize companies with the opportunities in Japan, LTE, in collaboration with Laurentides International, will hold a workshop on November 28 called "Doing business in Japan." The workshop will be held at the Centre culturel et communautaire Thérèse de Blainville from 8:30 a.m. to 11:30 a.m. To learn more about the Japanese economy, contact Frédérique Thomas, international business development advisor, at 450 978-5902. 🌐

The following key economic indicators show how Japan ranks in relation to Canada and Quebec:

KEY ECONOMIC INDICATORS

	Japan	Canada	Quebec
Population (millions)	128	32	7.5
Area (km ²)	377,719	9,200,000	1,668,000
Unemployment rate	3.8%	6.1%	7.2%
GDP (billions of US\$)	4,571	1,131	224
Per capita GDP (in US\$)	36,170	30,850	—
Exports (billions of US\$)	550	396	73
Imports (billions of US\$)	451	440	68

News in brief

INCYCLE SOFTWARE CLINCHES ITS FIRST MAJOR CONTRACT IN THE U.S.

A provider of Microsoft® Visual Studio® Team System (VSTS) consulting services, Laval-based InCycle Software has confirmed its leadership in this ultra-specialized niche by securing its first major contract in the U.S. where it will act as a sub-contractor for Microsoft Consulting Services to Merrill Lynch's head office in New York.

The VSTS is used in the management of application lifecycles. To find out more about InCycle Software, contact the company's president, Claude Rémillard, or visit www.incyclesoftware.com. 🌐

Continued on back...

Reader's corner

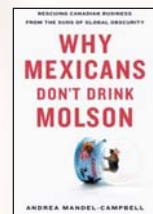
Comment développer les marchés internationaux



Market internationalization has forced companies to open themselves to the world. In order to thrive, they must now look beyond the domestic market to fulfill their procurement needs and export their products. Penned by Jean-Paul David,

Comment développer les marchés internationaux, is an indispensable tool for businesses looking to assess their foreign business potential or to develop foreign business strategies (import-export, outsourcing, direct investment, etc.). Holder of a BBA in marketing and finance from Université du Québec à Trois-Rivières and a MBA in marketing and international management from HEC Montréal, Mr. David is the founding president of Mercadex International, a marketing and international trade consultancy.

Why Mexicans don't drink Molson



Written by Andrea Mandel-Campbell, a journalist who spent six years reporting from Latin America, this book examines why Canadian companies have failed to compete on the world stage. At a conference organized by the Quebec Manufacturers and Exporters, the author answered the question in the book's title, saying that "Mexicans don't drink Molson beer because the company has never marketed it to them."

According to Ms. Mandel-Campbell, although Canada has everything it takes to be a global leader, very few Canadian companies rank at the top. Read this book and find out why this is so and learn some interesting facts about Canada's performance on the world stage.

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Canada

Développement économique, Innovation et Exportation

Québec
 

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

News in brief (continued)

HACCP: PRINCIPLES THAT ALSO APPLY TO PACKAGING

Since 2007, the Canadian packaging industry had been sharing the responsibility for food safety with food processors. HACCP (Hazard Analysis Critical Control Point) principles now also apply to packaging companies. It took more than five years to develop and implement HACCP standards for this industry. The Packaging Association of Canada (PAC) focused on such issues as wrong labelling and hazardous raw materials. Today, extensive benefits are being derived from their work, for example, improved production processes have reduced loss and waste as well as business risk by cutting down on the number of recalls due to labelling and handling mistakes. 🌐

EXPORT EXPRESSCREDIT

Small companies with a desire to grow their export business can now obtain unsecured loans from EXPORT ExpressCredit, a program created by Export Development Canada and Mercantile Finance Services Ltd. under which Canadian exporters with annual sales of less than \$5 million can obtain unsecured loans of up to \$50,000.

The program has many advantages:

- It is tailored to small businesses with little access to cash;
- It is flexible;
- It has a simplified application process (approval may be granted in as little as 24 hours).

For more information, visit www.edc.ca 🌐

NEW EQUIPMENT AT THE PORT OF MONTREAL

The Port of Montreal has installed radiation detection equipment to examine containerized cargo. This equipment will make it easier for the Canada Border Services Agency to detect radioactive and other substances that can pose a threat to national security. This type of security equipment is already operational in the Port of Saint John and is being installed in Vancouver and Halifax. The Port of Montreal, which processes more than one million containers each year, 70% of which continue on to the U.S. by road or rail, is part of an international port security program called the Container Security Initiative. 🌐

UPCOMING ACTIVITIES

LAVAL TECHNOPOLE EXPORT

SEPTEMBER

- 12 Customs compliance training and coaching program (ongoing) **I**
C-TPAT training and coaching (ongoing) **I**

OCTOBER

- 17 Preparatory seminar for Alberta trade mission – construction industry **R**
30-31 Hosting of Markham business delegation **R**
Customs compliance training and coaching program (ongoing) **I**

NOVEMBER

- 6-9 Alberta trade mission – construction industry **R** **A**
14 "How to contend with the rising loonie" **A** workshop
28 "Doing business in Japan" workshop

For more information, visit our website at 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

Tap into the booming West



BY BRUNO SEGUIN
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No one can dispute the fact that Canada's economic growth has been largely driven by Alberta in recent years. Fuelled by strong global demand for oil and natural gas, the province is experiencing an economic boom unrivalled elsewhere in North America. Alberta's tar sands in the northeast hold the largest oil reserves in the world, and the billions of dollars required to exploit them are generating major spin-offs in all sectors of the economy and luring investors and workers from all around the country.

Construction was one of the first industries to reap the spin-offs of the oil boom. The office vacancy rate is hovering at zero in Calgary, where the number of head offices jumped 37% between 2000 and 2004. New residential and non-residential projects abound but are not enough to meet demand, hampered by a labour shortage and high construction costs.

The situation is not much better in Edmonton, particularly in the industrial sector, which is reaping the benefits of tar sand projects. However, the boom is not limited to these two large cities. Many infrastructure projects are underway in north-eastern Alberta, where the oil sand deposits are located, and in the corridor along the highway connecting Calgary and Edmonton.

" CONSTRUCTION WAS ONE OF THE FIRST INDUSTRIES TO REAP THE SPIN-OFFS OF THE OIL BOOM. "

A promising market

Alberta can be the solution for Quebec companies hammered by the rising loonie and the construction slowdown south of the border. Alberta companies are constantly looking for sub-contractors and suppliers to help boost their production capacity so they can meet demand.

However, interested companies must be prepared to deliver large orders in quick turnarounds, conduct much of the business from a distance

and offer installation or set-up service. You must also be able to forge a relationship of trust directly with your customers and partners in Alberta, who are not necessarily accustomed to long-distance relationships with their suppliers.

If your line of business is construction and you're interested in tapping into the booming West, LAVAL TECHNOPOLE EXPORT, in collaboration with Laurentides International and Société de développement international de Lanaudière, invites you to participate in a trade mission to Calgary and Edmonton from November 6 to 9, where you will meet potential customers and perhaps get a piece of the Western pie. 🌐

Some highlights of Alberta's economic boom

- Alberta's macro-economic data is impressive, with GDP growth exceeding 4% since 2005, signalling that it could catch up and overtake Quebec's in the coming years.
- The province is at almost full employment, posting the highest labour force rate and lowest unemployment in all of North America.
- Alberta residents enjoy the lowest tax rate in Canada. With high salaries and a light tax burden, they have substantial disposable income. In fact, retail sales growth has been the strongest in this province for many years.
- While this robust growth is still fuelled by oil and natural gas, Alberta's economy, until recently largely dependent on the energy sector, has been increasingly diversifying in the last two decades with the result that energy production today accounts for only 28% of the province's GDP, a considerable drop from the 36% in 1985.

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