

Ericsson Research Canada A Division of Ericsson Communication Inc.



Taking Advantage of a Change in Corporate Philosophy

LM Ericsson, of Sweden, is an international leader in telecommunications, recognized for its advanced systems and products for fixed and mobile communications in public and private networks, and electronic defense systems. With over 70,000 employees, and operations in over 100 countries, LM Ericsson is number one in cellular mobile telephone systems serving 40% of the world's cellular subscribers in over 40 countries spread across the five continents. In Canada, Ericsson is the major supplier to Cantel which itself represents 50% of the Canadian cellular market. Ericsson Research Canada (LMC), the Canadian subsidiary of LM Ericsson, is responsible for system software development for the switching part of the North American cellular system.

In December 1991, LMC pursued and obtained its first world mandate entitled, "The Canadian Engineering Expansion Project" (CEEP I). The initiative consolidated functions from LM Ericsson relating to world product development responsibility for the CMS 88 subsystem in mobile telephony. The project represented an investment of \$150 to \$170 million which included \$7 to \$10 million in training and incremental engineering employment of approximately 200 engineers. The project proposed the transfer of technology and technological expertise from Sweden to Canada to increase local technical competence with the aim of grooming the Canadian company into a centre of technological excellence for Ericsson worldwide.

Over and above CEEP I, the Canadian company's long term strategy was to search out other business opportunities based on the technological recognition it would gain as a centre of excellence within the Ericsson group in mobile telephony. CEEP II, the Canadian subsidiary's latest project included both a series of new engineering projects and the consolidation of Ericsson Research Canada's activities into a single facility in the Montreal region.

The Canadian company's engineering staff, including both Technical Assistance Centre and Research & Development, reached 460 at year ending 1993. The CEEP II investment is approximately CAD 94 million in total.

Canada Has a Lot to Offer

Mr. Lionel Hurtubise, Chairman, Ericsson Communications Inc., is a staunch supporter of Canada. "Montreal is a wonderful city to live in. Certainly, the people that we bring in greatly appreciate Montreal's quality of life. Quebec's work force is another incentive. We have an excellent choice of very good people who are creative, hard working, enthusiastic, and incur a very low turnover. A fraction, in fact, of what the turnover is in Dallas where we have another very large R&D group. We provide the people here with a good working environment and a truly challenging opportunity. Our parent corporation also appreciates the tax benefits in Quebec. Canada is one of the most attractive fiscal jurisdictions in the world. All in all I have to say we have a very good financial environment."