

EXAMPLES OF CANADIAN MAQUILADORA OPERATIONS

Company	Area	Products	Started
Custom Trim Ltd.	Matamoros	leather-wrapped steering wheels	1984-85
Dicom Systems Ltd.	Ciudad Juárez	smoke detectors	1988
Dominion Group Inc.	Ciudad Juárez	wiring harnesses and assemblies	1987
Fleck Manufacturing	Nogales, Imuris Ciudad Juárez	wiring harnesses and assemblies	1985
Ideal Equipment Co. Ltd.	Matamoros	sewing machine parts	1978
Noma Industries Ltd.	Ciudad Juárez	artificial Christmas trees and lights	1990

TECHNOLOGY LICENSING

Firms can use technology licensing agreements to sell the rights to its products or services. Since licensing transfers usage rights but not property rights, the licensor still retains some control over the product. Issues that are subject to negotiation include royalties, sub-licensing possibilities, rights to sell and manufacture, duration of the arrangement, geographical limitations of the licence, exclusivity, and issues related to the updating of technology. This type of arrangement is often highly beneficial for third-country marketing. In the case of Mexico, for example, licensing could allow the Mexican partner to manufacture goods under licence for export to markets in other Latin American countries. This advantage will become more important in coming years.

CROSS-LICENSING

Cross-licensing is a strategic alliance between two firms in which one licenses products or services to the other. Today, many companies are exchanging the rights to use their products or services with each other. Both licensing and cross-licensing are relatively straightforward ways for companies to share products or expertise without the complications of closer collaboration. However, because they involve minimal cooperation, cross-licensing is less likely to achieve that state of synergy, typical of joint ventures, in which cooperation creates a whole greater than the sum of its parts.

BERCLAIN AMERICA LATINA

Berclain is a subsidiary of the Quebec-based Berclain Group Inc. The Mexican subsidiary, which now has a partner in Brazil, provides a base for servicing customers throughout Latin America.

Berclain's most important product in Mexico is a product called MOOPI, a manufacturing synchronization software. According to the company, MOOPI schedules interdependent resources — people, tooling, equipment and materials — to ensure production is optimized at all times. Berclain provides a complete solution to manufacturers that includes software, implementation, training and support.

According to a Berclain executive, the rapidity of Mexico's industrial restructuring took many companies by surprise. They did not initially realize the importance of automation technology to corporate survival in the new liberalized environment. As he put it, "at first, it was like trying to sell a parachute to somebody falling between the 97th and 45th floors of a building, who hasn't yet realized that he needs one."