4. Webcom

Webcom is a web press printer specializing in softcover books, catalogs and directories. It is privately owned and based in Toronto, where all production takes place. It has a sales volume of $25 million per year and approximately 200 employees. Approximately 30% of its business is performed in the United States where it has sales offices in Cleveland, New York City, and Boston. The interviewee representing Webcom is Mike Colinge, Vice President of Marketing and Sales.

What are the main obstacles for a Canadian web printer when trying to enter the United States market?

"The main obstacle is gaining credibility with U.S. publishers. Webcom was not affected by the Free Trade Agreement. Books have always been traded between the United States and Canada without duty because of each country's laws regarding freedom of information. However, there are marking difficulties requiring Canadian book printers to put 'Printed in Canada' on their products. In addition, costs to comply with U.S. tax codes can be high. We have to hire accountants to make sure we are in compliance with U.S. payroll taxes, pension requirements, and workman's compensation."

How do you pick which U.S. market you will enter?

"Webcom's business is set up around niches. We investigate and target specific markets, our Boston office is a good example. In Boston we only sell to colleges and universities. We chose NYC and Cleveland for our other U.S. offices because there are large concentrations of book publishers."

How are your U.S. branch offices set up?

"All of our U.S. offices have only one employee, the sales rep. Costs for the U.S. offices have run about 100 to 150 thousand per year and we expect it will take from 1 to 2 years before a branch starts to become profitable. Our reps are U.S. citizens which we selected for their experience in their market. We target accounts in areas other than NYC, Boston or Cleveland. We do this by contacting the target accounts by phone from our Toronto office and then following up with a visit to their location."

What are obstacles to generating U.S. accounts?

"U.S. buyers are not scared of doing business over long distances, so our location is not a real obstacle. The buyer's main concerns are cost, product quality, service and reliability. However, there is definitely a very strong 'Buy American' loyalty that has been building over the last couple of years. This is mainly due to the recession and the media 'Buy American' campaigns. As a result, we can not just be good, we have to be better."

Do U.S. customers require any special treatment?

"Absolutely, our objective from day one is to make it seem that Webcom is the printer down the street. Webcom takes care of all the issues, for example we never use any metric measurements, pricing is all in U.S. dollars, and we take care of all export required documentation. It is essential that buying from Webcom is no different than buying from