

that Canadian companies should promote the fact that they are Canadian, as contrasted with American or British.

Mr. D'Hollander's advice for a new exporter to Europe is go first to a small market, like the Netherlands or Belgium, before tackling the larger but more difficult markets like France and Germany. In entering a country like Germany he stressed the importance of finding a good partner — whether it be a distributor, a manufacturer or a value-added reseller — to help with the certification process. He also identified the need to give some thought to the choice of a company's European headquarters. Politically, it may be unwise to have an office in one country to oversee the business of the company in another country, unless the head office is in a country such as Belgium or the Netherlands, which the more powerful countries perceive as neutral ground.

Mr. D'Hollander thinks that the exporter's life will become somewhat easier after Europe 1992 is fully implemented, because certification requirements will become Europe-wide rather than national. He also thinks that there will be good opportunities for selling quality Canadian products, because the relaxation of the commercial borders within Europe will result in the erection of higher cultural barriers as each of the European countries strives to maintain its national identity.

6.8 Conclusions

Gandalf Technologies Inc. chose the UK as its point of entry into Europe primarily because of the background of its founders, the similar language and the openness of the market. With the founding of a wholly owned subsidiary in the UK, this market was developed to a great extent as a domestic market. Gandalf then tackled the Netherlands and succeeded, because of the relative openness of this market compared to some of the larger markets, such as Germany and France. Its entry into continental Europe was made easier by its established base of operations in the UK.

Gandalf's use of multiple distributors appears to be a good solution to the important problem of choosing the right distributor in each of the target markets. It should be borne in mind, however, that the multiple distributor approach will not always be feasible, particularly where a heavy initial investment of effort is required of the distributors.

Gandalf has established subsidiary companies in four countries in Europe, staffed mainly by Europeans, and will no doubt continue to be a factor in the European market.