

OVERALL STRATEGIC GUIDELINES

1. The first question facing any Canadian manufacturer is obviously "should we enter the U.S. market"? The size and growth of the U.S. market makes it a most attractive market. Yet, the market is very competitive and the buyers sophisticated. Success would require, therefore, a unique positioning (or real cost advantages). If such a positioning can be provided by Canadian manufacturers the opportunities of operating in the U.S. are high. The risk of failure can be reduced if the entry into the U.S. market is based on a good understanding of the market and its needs and follows an adaptive experimentation approach; i.e., design at least two major entry strategies (either for the same or different products) and experiment with them.
2. The first and most critical question facing each Canadian manufacturer is "what is the differential advantage his/her product offers the buying organization"? The two major positioning options are:
 - a. unique product performance -- typically associated with an innovative product, or for established products on those cases in which the superior performance of the Canadian product can be demonstrated to the key hospital and lab decision makers.
 - b. price -- offer a product similar to the one offered by competitors but at significant cost savings.

If a given product does not have a unique positioning and does not offer a cost advantage, there is little reason to expect successful entry into the U.S. market.

On the other hand, an ideal situation is the one in which a manufacturer can offer an improved/innovative product at a price which offers U.S. buyers significant cost savings.

3. Related to the positioning decision is the question of "what is the competitive advantage of the Canadian manufacturer"? If it is in production, quality and or cost, it would have different implications than if it were in R&D. In the first case, it might even be beneficial to consider the purchase (licence) of new innovative products in the U.S. and elsewhere and manufacturing them in Canada. If on the other hand the advantage of a Canadian firm is in the R&D area, it should specialize in this aspect and consider the production aspect as a separate one (which can either be developed or farmed outside to another firm).
4. The second critical decision, is the decision whether to sell directly to the hospitals and labs or through distributors. Both options should be considered.