

# EICON TECHNOLOGY CORPORATION

## How to Make the Most of Your Sales Network

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### *The Canadian operations*

Eicon Technology Corporation, based in Montréal, was founded in 1984. The company specialises in communications and telecommunications products for IBM and IBM-compatible personal computers. Innovation and enthusiasm characterise the firm's corporate culture.

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### *Its overseas activities*

The company rapidly started to sell outside Canada, using independent distributors who then sell to end users (established distribution channel in this industry).

Due to the complexity of their products, Eicon Corporation decided to set up a UK subsidiary with experts able to provide local support and advice to company's distributors (the same had been done in the USA). Started in January 1989 with 3 people, the UK office now comprises 11 employees, and since that date sales have increased by 600%. The UK office now has the responsibility for management of overall European distribution.

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### *Lessons to be drawn*

Eicon put their success in the UK down to a combination of the following ingredients:

- Adaptation of marketing and communications tools to local market facilitated by a comprehensive knowledge of dissimilarities between European and North American markets (eg. business mentalities, advertising, etc.).
- Business plan with a thorough appreciation of extra risks of going abroad (UK was chosen because it offered higher chance of success), and appropriate measures to cope with foreseen sources of difficulty (customs, recruitment of appropriate people, different product standards calling for sometimes costly product modifications).
- Nomination as UK managing director of a UK national with extensive experience in IT industry and who shares parent company's enthusiasm for Eicon products (previously director of one of Eicon's distributors).
- Import of the parent company's culture by constant communications with Montréal, and almost weekly exchanges of employees (both ways) so that they can understand each other's working practice more completely.

Eicon believe that the UK provided an effective springboard for expansion into other European countries. The UK was similar enough for Canadian companies to establish themselves relatively easily. It was much easier, and more credible, to expand into France and Germany from a UK base than directly from Canada.