

## CASE STUDY #2

### The Company

Cascade Group  
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Celebrating their 28th year in business, Cascade Group offers a wide range of products. These include environmental control systems: primarily chemical filtration of airborne contaminants, dust collectors, industrial air conditioners and electric heating elements.

- Sales: \$ 20 million
- Employees: 150

### The Product

In Western Europe, Cascade markets environmental control systems which provide chemical filtration of airborne contaminants. The control systems are sold primarily to pulp and paper and petrochemical industries, and engineering firms.

### Achieving Success

Prompted to enter the Western Europe market because of the emergence of global markets, the promise of 1992, and the excellent success enjoyed by a North American competitor, Cascade began the entry process two years ago.

They contracted Raymond Chabot & Associates to perform research on potential markets before developing their strategic plan.

Initially they tried direct supply to Western Europe. Not proving to be as effective as wished, Cascade then contracted six non-exclusive agents to distribute their product. These agents were each subject to a six month probation period, and then the best were chosen from amongst them.

Presently, Cascade is negotiating with a well established French firm to enter into a joint venture/technology transfer. The French firm will have exclusive rights to Cascade's products in Western Europe and in return, Cascade will have exclusive rights of this company's product in North America.

Cascade's sales are growing quickly, with anticipated growth over the next several years estimated at 10 to 12 per cent. They currently have achieved sales in U.K., Italy, the Netherlands, and Spain.

### The Barriers

The largest barriers Cascade encountered were the differences in business practices. Clients were unwilling to switch to an unknown foreign company. Even substantially reduced prices did not help. Cascade is slowly overcoming this attitude by establishing their name as a quality producer with competitive prices. Time and persistence again proved to be effective elements for success.

### Key Factors in Achieving Success

- The technological advantages offered by Cascade's products.
- The business strategy developed and used by Cascade.
- The price of their products.

### A Word of Advice

Don't neglect your home market at the expense of exporting. If there is a choice between a sale in Canada and in Western Europe, take the Canadian sale, otherwise your core business may disappear.