3. McLaren, Morris & Todd

McLaren, Morris & Todd was founded in 1956. It currently has 240 employees and 1992 gross revenues were $45 million. All their production is completed in one plant. Its specialties are greeting cards which are printed for Hallmark. It also specializes in labels for consumer goods such as food, laundry, and soft drinks. Another area of production for MM&T is direct mail products. Its plant has very little pre-press other than plate making and the main production presses are sheet fed and half web presses. Currently, the chairman and managing partner, Mr. John Morris has been working with MM&T since 1966 and was the executive interviewed for the survey. Approximately 10% of the revenues of MM&T are generated from export of labels to the United States.

What is your U.S. export strategy?

"We focus mainly on our consumer goods label business. Our strategy is to focus on Canadian companies that are subsidiaries of U.S. companies or to work with Canadian companies that have subsidiaries in the United States. For example, Proctor & Gamble is a U.S. company with a Canadian subsidiary. We might get entry by working with their Canadian operations or we try to may sell directly to their U.S. parent company."

What is the primary obstacle for you when trying to get U.S. business?

"The 'Printed in Canada' marking requirement is a major negative. We had the opportunity to do a large volume direct mail piece, but were prevented from doing so because of the marking requirement. The reason we have been successful with labels is that U.S. law does not require country of origin marking on labels."

Have you ever considered buying out a U.S. company?

"At the moment we believe this will have to be our strategy. There is a significant provincial attitude among purchasers in the United States which prevents entry."

Have you tried a dedicated sales rep in a U.S. market?

"We tried that and it was totally ineffective. The main objection was that MM&T is a foreigner and why should I print with you when I can print down the street. We were focused on our consumer goods labels' niche in the large New York market, but we still could not gain entry. The cost of the office for one year was approximately 100,000 dollars. It was not the rep's fault either because I made many sales calls with him. We thought New York was a city where we would face less of the 'Buy American' attitude, but this was not the case. One time I made a call with the rep on a Minneapolis company who seemed very interested. We were invited to make a presentation to the key decision makers and on the day of the presentation, we were greeted by a secretary wearing a big pin that said, 'Buy American.' I turned to my rep and said, 'We're not selling anything here,' and I was right. We went into the meeting and were faced with a group of executives that were almost visibly upset."

Have you experienced any border crossing problems?

"We have always taken care of our paperwork so we have never experienced any