

### 3. CONSULTRONICS LIMITED

|                             |   |
|-----------------------------|---|
| <b>Products/services:</b>   | <b>Telecommunications test equipment</b>                  |
| <b>Annual sales (1990):</b> | <b>\$8 million</b>  |
| <b>Non-Canadian sales:</b>  | <b>80 per cent</b>  |
| <b>European sales:</b>      | <b>60 per cent (\$5 million)</b>                          |
| <b>European markets:</b>    | <b>UK, France, Germany, Italy, Sweden, Finland, Spain</b> |
| <b>Sales vehicles:</b>      | <b>Representatives</b>                                    |
| <b>European presence:</b>   | <b>Manufacturing facility in the UK</b>                   |
| <b>Year founded:</b>        | <b>1974</b>   |
| <b>Entry into Europe:</b>   | <b>Italy, 1975</b>  |

Consultronics Limited designs and manufactures telecommunications test equipment used by telephone companies and by large users of telecommunications services worldwide. Its products include test equipment for voice and data, and automatic test systems for modems, facsimile machines and ISDN products.

Consultronics' annual sales are currently \$8 million, 80 per cent outside Canada. Consultronics was founded in 1974.

#### 3.1 Markets

At present, Europe accounts for more than 60 per cent of Consultronics' annual sales, or approximately \$5 million. Consultronics entered the European market in 1975. Its first European sales were made in Italy, followed by sales in France, Germany and the UK.

From the point of view of current volume, the UK is now its number one market in Europe, followed by France and Germany.

Consultronics' customers include carriers such as British Telecom; Cable and Wireless; Deutsche Bundespost Telekom, Italtel and Telefonica; and manufacturers like SEL Alcatel, L.M. Ericsson, Nokia and Siemens.

#### 3.2 Market Development Approach

Consultronics uses independent manufacturers' representatives in each European country. These representatives translate all material into the language of the customer, provide assistance with regulatory approvals, etc.

#### 3.3 Choosing Distributors

In choosing its representatives, Consultronics looks for those that have the technical capability to promote its technically sophisticated products properly. Other factors that are taken into account are the potential agents' ability to service the products and the markets where they have good access. Many Consultronics agents were identified by attending trade shows and looking at the agents for competing or similar products, by talking to other Canadian companies, etc.

#### 3.4 Sources of Information and Assistance

Consultronics made use of assistance provided by External Affairs and International Trade Canada and by the Government of Ontario to attend trade shows and to get information about potential distributors.

#### 3.5 Barriers and Obstacles Encountered

Consultronics did not encounter any significant barriers or obstacles.

#### 3.6 European Presence

Consultronics recently acquired a UK manufacturing company, but its marketing efforts are managed and its European representatives supported from its Canadian headquarters.

#### 3.7 Some Observations

Robert Fitts, Marketing and Sales Manager,