

This does not help recruitment. The local Bomem management finds that it must convince people that Bomem is a 'nice' company.

**Customers are neutral to the fact that the company is Canadian.** The fact that Bomem is Canadian is not an issue with the users of the machines. They are scientists who know the quality of Bomem spectrometers. In Germany, the government funds university laboratories and sometimes exerts pressure to give preference to German manufacturers.

**Dutch employment laws are much more protective of employees' rights.** A frequent misunderstanding with the Canadian headquarters, even after six years of operation in the Netherlands, is the difference in legal protection and advantages of employees, such as longer holidays. Dutch law is very protective of employees' rights and there is no way around it. The Dutch management has to convince head office that these are Dutch rules.

**It is easy to recruit people who speak more than one language.** Bomem was impressed by the ease of recruiting people who speak more than one language for its European office. All staff speak English, but some also speak French, German and Italian.

**Specifications tend to be more precise.** The Canadian operation had to adjust to more precise European specifications and deadlines. Customers expect their suppliers to stick to these specifications and deadlines.

**Canadian companies are perceived to be more interested in short-term financial returns than long-term gains.** However, the Dutch operation is a cost centre and does not have too many complications in terms of financial returns. It sends its accounts regularly to Canada in the Dutch format. In Canada, the accounts are sorted out following Canadian accounting regulations. Invoices to clients are also sent directly from Canada.

**The legal structure was kept simple.** Bomem chose to set up its operation in the Netherlands as a simple branch office rather than a subsidiary. This simplifies administration, particularly for fiscal matters.

**Customs procedures are more demanding than expected.** The numerous customs procedures that products and their associated paperwork go through always astonish Canadians. The cost of duties can be quite high. More difficult to manage is the delay that can occur since European customs are suspicious of anything that looks like a computer.

**Beware of currency fluctuations.** Canadian companies are generally very aware of the fluctuations of the U.S. dollar, but may forget to pay attention to the fluctuations of the many currencies they have to deal with in Europe. Even experienced export companies can fall into this trap. Whereas in most of the world contracts can be quoted in U.S. dollars, in Europe suppliers must quote in local currencies. Insurance products against currency fluctuations are available to protect contracted revenues, but Bomem found that they were not able to cover this risk for long-term variations.