

9. MICROTRONIX DATACOM LTD.

Products/services:	Data connection equipment
Annual sales (1990):	\$2 million
Non-Canadian sales:	65 per cent
European sales:	9 per cent (<\$1 million)
European markets:	Netherlands, France, Italy, Spain, Norway
Sales vehicles:	Distributors
European presence:	None
Year founded:	1987
Entry into Europe:	Netherlands, 1988

Microtronix Datacom Ltd. produces data connection equipment, such as X.25 packet assemblers and disassemblers, X.25 network management centers and LSI-X.25 front end processors.

Microtronix Datacom has annual sales of approximately \$2 million, 65 per cent of which come from exports. It was founded in 1987 through the purchase of an existing company. Microtronix Datacom Ltd. is a subsidiary of Microtronix Systems Ltd., founded in 1972, which manufactures telephone testing equipment.

9.1 Markets

Microtronix Datacom is still relatively recent in its European business development. Sales in Europe account for about nine per cent of total company sales. Its first European sales were made in the Netherlands in 1988. Other markets in which Microtronix Datacom has sold its products include France, Italy, Spain and Norway.

9.2 Market Development Approaches

Microtronix Datacom has established distributors in several European countries, including the Netherlands, Italy and the UK, and is in the process of establishing others. Usually the distributors are given exclusive rights.

The first European sale of its data products was made in 1988 in the Netherlands through a Dutch distributor that the company met at a trade show in the UK.

In this case, the distributor handled the necessary regulatory approvals.

In addition to sales through its European distributors, some of Microtronix Datacom's products have entered Europe as part of equipment supplied by non-European OEMs with whom Microtronix has signed worldwide agreements. These sales are not included in the figures given above for European sales.

9.3 Choosing Distributors

Microtronix Datacom selects its distributors from contacts made at trade shows, responses to advertisements, lists provided by External Affairs and International Trade Canada, etc. The process of screening the potential distributors involves several reciprocal visits.

The most important criterion in the choice of distributors is their technical ability and their understanding of the product, not only to sell the product but also to provide support and service on a fast response basis. Microtronix Datacom provides after-sale maintenance training for its distributors at its facility in London, Ontario and at the distributors' facilities.

9.4 Sources of Information and Assistance

Microtronix Datacom advertises heavily in Europe, works with the Trade Commissioners of External Affairs and International Trade Canada and participates in a number of international trade shows, such as Telecom '91.