

# CASE STUDY #1

## The Company

Axys Group Ltd.  
P.O. Box 2219, 2045 Mills Road □ Sidney, B.C.  
Telephone: (604) 656-0881 □ Fax:(604) 656-4511

Founded in 1974, the Axys Group Ltd. is a privately owned company offering a range of distinctive products and services. These include environmental consulting, trace organic analytical services, environmental systems, GIS, and high purity chemicals. These services and products are offered internationally.

- Sales: \$ 8 million
- Employees: 100

## The Product

Axys markets several environmental protection products and services in the Western European market. These are:

- water quality instrumentation;
- environmental monitoring buoys;
- trace organic analytical services; and
- ultra-pure chemicals.

Water quality instrumentation represents the bulk of Axys' sales in Western Europe.

## Achieving Success

Western Europe was Axys' first attempt at exporting their services outside of North America. They have been in the market for 7 years.

Axys initiated entry into the market by attending international trade shows. Inquiries about their services soon followed.

Determining that their products, especially water quality instrumentation, were unique enough to

compete in the Western European market, Axys began to search for suitable distribution agents. These agents are licensed only to sell Axys' products, not their services.

Axys' services have gained a strong enough reputation that requests come directly to their Canadian offices, rather than having to rely on sales agents.

Through these agents, Axys has achieved sales in Italy, the U.K., Germany, France and Spain.

Most of these sales, which totalled \$200,000 in 1990, were to federal and state or provincial governments.

## The Barriers

The largest barrier Axys encountered in entering the market was finding good sales agents. Persistence and ongoing research has proven to be the best method of overcoming this barrier.

## Key Factors in Achieving Success

The uniqueness and quality of Axys' products was the single most important reason for their success.

Government assistance in entering the market also proved helpful. Axys utilized two government programs to assist their strategies: PEMD, and the Technology Opportunities in Europe Program . The Technology Opportunities in Europe Program had a \$20 million budget to assist Canadian companies in becoming participants in EUREKA projects. EUREKA is a program to upgrade European technologies to make European firms more competitive with their North American and Japanese counterparts.

## A Word of Advice

Perform surveys of markets you are intending to enter, otherwise a great deal of resources are wasted in attempting to compete in the wrong markets.