

Vidéotron

How to become a player in a highly regulated market.

Canadian operations Vidéotron, a Montreal-based company, has been in the cable business for 26 years. It is the largest cable operator in Quebec, and the second largest in Canada. Recently, the company acquired a majority interest in the largest French-Canadian television channel.

U.K. activities To find new markets for their Videoway innovation, Vidéotron decided to expand in Europe. After an unsuccessful attempt in France, the company headed for the United Kingdom, first acquiring companies that had been awarded cable franchises, and then by applying for new franchises itself.

Lessons to be drawn Although Vidéotron has just started its U.K. operations, some of its decisions and actions are worth noting.

Key Canadian personnel were sent to United Kingdom. To export and maintain the entrepreneurial culture on which most of its success has been based, Vidéotron's president sent his right-hand people to take charge of U.K. overall operations, and used Canadian employees to train U.K. workers.

Extensive marketing and financial studies were carried out before entry. The company did a thorough marketing and financial study of the United Kingdom before deciding to go on. As part of this internal study, it asked Quebec House to prepare an overall picture of the market (competition, contacts, regulatory environment).

Good communications were maintained despite the different time zones. So far, good communications between Montreal and London have been maintained through extensive use of telephone and fax lines. U.K. management has accepted the necessity of staying late at the office because of the time difference, and the need for making some decisions without being able to rely on Montreal's advice.

Furthermore, an appropriate degree of control has been achieved through monthly visits by the president.