

1. Why Did They Cross the Atlantic?

Each company had its own set of reasons for going overseas. The most important influences were:

Dissatisfaction with agents. This was particularly the case for high-tech companies with products that must be or are required to be sold by people with technical expertise.

To find new markets for innovative products. Some found that selling innovations in Europe helped amortise the sunk costs very quickly.

1992 effect. Some companies believed in the possibility of a 'Fortress Europe', and wanted to secure a seat before it is too late.

To oversee distribution of products. Some felt the need for providing technical and marketing assistance to their existing network of agents.

To exploit cross-marketing opportunities. Some companies found the European counterpart to their company – one with products that perfectly complement their range.

To export proprietary knowledge in a high national interest sector. In industries such as defence, it is almost impossible to export your Canadian production unless governments perceive your company as a 'local' player.

To escape constraints on growth in the domestic market. Some companies wanted ready access to Europe's almost 375 million customers.

To capitalize on an existing opportunity. Some companies decided to set up in Europe after having been offered an attractive deal. However, they did not try to widen their activities in Europe beforehand.