

# TRENCH ELECTRIC

Look as local as possible.

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## *The Canadian operations*

Trench Electric supplies heavy duty transmission equipment to the electrical power industry. The manufacturing facilities are in Canada and the Corporate Sales office in Germany is responsible for coordination between the three Corporate Sales units covering the global market.

The company has been recently acquired by British Belt Asbestos but started with a Canadian invention for a new type of coil reactor.

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## *Its German activities*

The market for this particular technology is mostly in Europe. The North American power distribution sector works with a different technology. Historical market leaders such as GE and Westinghouse are withdrawing from this business while more recently European major companies are starting to serve the North American market out of branch offices in the US and Canada.

Trench first appointed an agent in Germany 21 years ago. However it became quickly apparent that the agent was not giving full attention to Trench Electric's products.

For these reasons, a sales office was set up in Germany to cover Europe and the rest of the world. Frankfurt was considered as a good international airport to use as a pivotal point for marketing and maintenance activities.

In 1989 Trench Electric acquired the remaining European competitor and established a dominant market position in Europe. All other competitors had previously disengaged due to the availability of highly specialised companies supplying this market niche.

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## *Lessons to be drawn*

### **Staff exchanges do not work.**

Exchanges were tried but judged unsuccessful and too expensive. In order to help the integration process of a newly acquired company, Trench Electric spent 100k dollars in travel costs. The feedback from the exercise was negative as each side spent its time criticising the other side's methods. The most successful formula so far has been to take managers to a neutral place other than their respective offices to spend a week of brainstorming and getting to know each other. The latter solution has always been well received by participants and is cheaper with a cost of between 20 and 30k dollars.