

**Contacts with Canada are daily.** Telephone and fax bills are large but indispensable. Directors of the Canadian headquarters visit several times a year.

**Support from head office is important.** Setting up an operation in Europe is a long-term venture. The team abroad needs continuous support.

**Financial return requirements are considered short term by the European staff.** Financial return expectations are short term. The break-even time given for this operation was much shorter than a European company would have expected. Financial reporting is done monthly and is not too heavy.

**The disadvantages of being a foreign company are alleviated by using local intermediaries.** The fact that Romet is a Canadian company is not a problem when trying to get government contracts. Part of the reason is that one of the two competitors is American, and there is no national substitute available to most European governments. Also, in most countries Romet deals through local agents, so governments see some revenue going to a local company. The only country where Romet sells directly without an agent is the Netherlands.

**It is important to hire a well-known local person for a close-knit market.** The market for gas meters for utilities is rather small – everybody knows each other. To enter this market, it is important to buy the services of a well-known and respected local person.

**Technical standards will be different in each country until the end of 1992.** In each country the standards are different and the product must be tested and approved by the national official organizations dealing with these issues and the individual utilities. After 1992 the standards in this field should be the same across Europe. Generally, quality standards are higher in Europe than in North America. North Americans tend to be overconfident about their standards and think that these should be automatically accepted in Europe, which, of course, is not the case.

**Selling methods are different in European countries.** In the Netherlands, the sales force must stress the high quality of after-sale service and be technically knowledgeable. In France, salespeople must maintain a good social relationship with their clients. In Switzerland, the high quality and the high price of the product is a predominant feature of the sales pitch. In Germany, a mixture of all ingredients, except the social factor, is required. In the United Kingdom, people buy on price. In Italy, everybody is very friendly but the decisions are totally unpredictable.

