

generally tends to deal strictly with importers and distributors. Telecom has dealt with at least three Canadian suppliers in the past and mentioned one or two quality problems. Currently the company markets its products exclusively in the United States and Venezuela but is looking for other markets. Products range in price from \$2,400 to \$4,500 and main customer groups serviced are travel agents and other varied professional groups. Interested Canadian suppliers should contact Mr. Len Winters.

SYSTEMS GROUP

1601 Orange Wood
Orange, CA 92668 (714) 633-4460

Mr. Dave Jenoff, Vice President for International Marketing

Systems Group manufactures a family of business micro computers, digital computers, magnetic tape equipment, word processors, peripheral controllers, and various memory devices. The company's sales are currently in the vicinity of \$6 million a year. Systems Group buys in complete peripherals but Mr. Jenoff did not give any details of the type of peripherals purchased. In addition, the company buys in blue chips at a rate of about 1,500 per year. Systems Group buys in CP/M, MPM, and Oasis Software Systems. In addition the company has developed its own software system called "Business Express." Generally Systems Group likes to purchase directly from a manufacturer wherever possible. To date all products purchased have been obtained locally. Mr. Jenoff mentioned SESCO, as a potentially viable Canadian distributor in Canada. Systems Group markets its products nationally and prices range from \$3,000 to \$20,000 per system. The Company is interested in meeting potential Canadian suppliers and discussing business prospects generally. Contact should begin with Mr. Ralph Sasser, General Manager and V.P. of Operations.

KONTRON ELECTRONICS

630 Price Avenue
Redwood City, CA 94063 (415) 361-1012

Mr. Tom Curfman, Sales Engineer

Kontron currently employs 100 persons in production. The company manufactures computer systems, I.E.E.E. instrumentation, proms, logic analysers, and software development systems. Mr. Curfman indicated the company could be interested in buying disk drives. The company purchases its requirements locally in the U.S. and overseas and is always interested in reviewing new potential supply sources. Canadian companies should contact Mr. Carrie Ford who is their purchasing agent. The company handles its own sales in the United States and uses distributors overseas; Digidyne in Canada is Kontron's Canadian distributor. Kontron markets internationally and its products are priced from \$3,000 to \$200,000. Sales are currently in the vicinity of \$6 million. Mr. Curfman listed OEMs, instrumentation manufac-

turers, designers and software writers as among the corporation's major customer groups.

GRINNELL SYSTEMS CORPORATION

6410 Via del Oro Drive
San Jose, CA 95119 (408) 263-9920

Order Administrator

Grinnell Systems Corporation manufactures computer peripherals, graphic and imaging processing systems hardware. The company purchases monitors. Grinnell develops its own software. Products sold range from \$20,000 to \$80,000 and main customer groups consist of universities, the animation industry such as Hanna-Barbara together with high technology industries. Potential suppliers should direct their enquiries to the purchasing department. Grinnell is also interested in joint marketing on an OEM basis.

6.3 SUMMARY

Over 60 percent of the manufacturers we contacted are interested in new supply sources. Manufacturers expressed an interest in a large range of products ranging from complete peripherals to systems software, components and sub-assemblies, and packaged software. Canadian companies should read the interviews in Section 6.2 to get a fully rounded idea of prospects for their products. Most Southwestern manufacturers buy from domestic sources but are open-minded on imports. The majority of companies contacted have not yet considered buying Canadian products although 17 percent are aware of Canadian producers and have looked at a variety of Canadian products in one form or another.

Canadian suppliers will need to be competitive if they wish to supply Southwestern U.S. computer systems manufacturers. It is clear that U.S. customers will respond more favorably to those companies which establish effective selling, distribution, and service facilities in the market area. U.S. customers see Canadian presence in the Southwestern U.S. marketplace as an effective way of insulating themselves from problems caused by Canadian customs and mail services. These problems were stressed by manufacturers, distributors, and turnkey systems companies contacted for this study. At the same time, companies from all three groups were interested in the possibilities offered by two-way trade with potential Canadian suppliers. We recommend that Canadians consider this aspect carefully; it is indicative of a growing mood among U.S. manufacturers to counter increasing imports. Those companies who are able to establish an effective trading relationship could find a two-way arrangement most advantageous.