

SHARING TRADE SECRETS

BIG COMPANIES OR SMALL, CHINA GOES CANADIAN NORTEL Wins Contract....

Having a foothold in a foreign country is no guarantee of continued success in that market — even for large and well-established multi-billion dollar companies like Northern Telecom Limited (Nortel). This is where hard work, perseverance and a superior product can make the difference.

With operations in close to 100 countries worldwide, the Mississauga, Ont.-headquartered Nortel is not new to the Chinese market.

Nor, for that matter, to the megalopolis Shanghai (11 million inhabitants), where it already had two joint ventures — operation of a very large scale integrated circuit wafer foundry, and design and supply of integrated circuits for Nortel's joint venture in Guangdong province.

But what had eluded Nortel up till last June, date of the contract, was the sale of advanced telephone switching systems to Shanghai, a market that had been monopolized up till then by European — mainly Alcatel, France — and Japanese companies, in a field which has considerable potential for growth.

Presence, contacts are key

Nortel started investigating the Shanghai market back in 1992

and established an office there the following year.

"Visibility in the local market and establishing close contacts locally are absolutely essential," points out Sonny Wu, Nortel China's Manager, Strategic and Business Development.

Wu, who has since moved to Nortel's Beijing office from the one in Shanghai, says that, thanks to a strong presence in Shanghai, "it was no secret that Nortel was known in local government circles, including Shanghai's Post and Telecommunications Administration (PTA).

This is in fact how Nortel found out about the upcoming contract. "We maintain very good relations with Shanghai city government," explains Wu.

The negotiations

According to Wu, who was a member of Nortel's negotiating team, discussions about the multi-mil-

lion dollar contract started in early 1994.

They involved two-way marketing and technical discussions that

Continued on page 7 — Nortel

....So Does M3i

Quality products, perseverance, a local agent and solid support from the Canadian Consulate General gave M3i Systems Inc. of Longueuil, Que. the edge over its competitors in Shanghai.

The five-year old company's latest foray into China resulted in the signing of a \$1.8 million contract with the Shanghai Post & Telecommunications Administration (PTA) to provide an integrated software system monitoring the upgrade and daily network management of the Shanghai telephone network.

How did M3i win out over other major international telecom vendors?

Past performance counts

The company had made a foothold in China over two years ago following a visit by Shanghai's mayor to Montreal and to M3i's facilities.

This was followed by an

Continued on page 8 — M3i

CANADEXPORT

ISSN 0823-3330

Editor-in-Chief: Amir Guindi
Editor: Don Wight
Layout: Yen Le
Publishing: BOTTE NOIRE

Telephone: (613) 996-2225
Fax: (613) 992-5791
Circulation: 40,000

Extracts from this publication may be reproduced for individual use without permission pro-
vided. However, reproduction of this publication in whole or in
redistribution requires written permission from **CanadExport**.

twice monthly, in both English and French, by the Department of
International Trade (DFAIT), Trade Communications Division (BCT).

Canada to interested exporters and business-oriented people.
business card. For address changes and cancellations, please send
it to six weeks.

T), Department of Foreign Affairs and International Trade,
Ottawa K1A 0G2.

