

Romet

North American standards are not accepted automatically.

Canadian operations Romet manufactures high-performance rotary gas meters used by utilities.

Dutch activities The market for this particular technology is increasing in Europe, but because it is an alternative product the market virtually has to be created by Romet. For several years Romet sold its products through agents. However, it became evident to the Canadian management that it was necessary to have a subsidiary in Europe to follow up on the testing and approval in each country, as well as to offer appropriate service to clients. Agents do not usually carry out all the formalities required for a product to be tested and approved to the standards of each country. Also, a good knowledge of the technical aspects of the products is needed to follow up these processes. Romet did not believe in the concept of strategic alliances because of the potential for conflicts of interest.

Setting up its own European operation did not bring too many surprises, because the Canadian management team is of European origin and Romet had a long trading history with Europe.

The Dutch operation acts as a marketing and service base for Europe, Africa and the Far East. Modifications to the gas meters are also carried out in the Netherlands to comply with local standards.

Lessons to be drawn **The Netherlands is rated as good base to serve the European market.** From a logistical point of view, the Netherlands is well placed to reach the major French and German markets. It is more or less in the centre of Europe. Rotterdam port is the largest in Europe and the country is also well served with airports.

Good skills are available in the Netherlands. The Netherlands is a leading country for gas technology. Recruiting highly skilled workers is relatively easy. The Netherlands benefits from a tradition of craftsmanship combined with a high degree of automation.

Productivity is lowered by employment inflexibilities. Setting up a production unit was recently considered and abandoned because of the high employment costs imposed by Dutch law. This affects the productivity per dollar spent on staff.

Government subsidies are too time consuming. Romet tried to look at the subsidies offered by different governments but decided that there were more important criteria, such as the quality of staff.