Competing in the global export market, especially for hi-tech manufacturers, is a daunting task. To cope with global logistics, some Canadian companies – such as telecom giants NorTel, Newbridge Networks, and Mitel – centre their African marketing and sales operations in the U.K. as part of a "Europe, Middle East, and Africa" export division or subsidiary. This eliminates the time difference problem and secures easy access to direct flights to every major African city.

Mitel Telecom Limited (U.K.), a wholly owned subsidiary of **Mitel Corporation** of Kanata, Ontario, is a case in point. Over $1 billion in annual sales and products in over 80 countries proves Mitel Corporation knows how to penetrate emerging markets. Its main business, state-of-the-art Private Automatic Branch Exchange (PBX) and switching systems, led Mitel early on to acquire its own semiconductor manufacturing capability. This enables Mitel to design and produce dedicated integrated circuits to its exact specifications.

Steve Carmo, Regional Manager for Sub-Saharan Africa, points out that "Mitel prefers to cover African export markets via established in-country channels. This is achieved by identifying suitable local companies and working closely with them to tackle important issues like sales, installation, and ongoing system maintenance."

For hi-tech export manufacturers, Mitel's experience has shown that this in-country approach can work better than a regional one, ensuring local knowledge about specific markets and creating a genuine "feel good" factor for customers. The key is to find an aggressive, compatible local partner and cultivate a close working relationship. In Kenya for six years, Mitel switched partners two years ago when a previous relationship did not seem to be progressing. The new local partner, in fact, approached Mitel directly regarding a requirement for a specific project – a 1,200 line system for the Kenya Port Authority – and this led to a fruitful alliance.

As well as the Kenya Port Authority project in Mombasa, new contracts included a system for the country's premier publishing group, a 1,500 line system for the Eldoret District Health Authority, and many other corporate installations. "This is a good example of why going for the biggest and wealthiest distributor is not always the best policy: smaller enterprises are hungrier, more proactive, and infinitely more flexible," explains Carmo.

Over the last few years, Carmo has witnessed positive economic trends in Kenya generating a tremendous improvement in the flow of finance – both private and IFI – and trade. Some obstacles for manufacturing exporters remain, such as importation tariffs, custom procedures, limited availability of hard currency, lack of a lease or rent framework in the financial sector, and, in some cases, established local competition that avoids duties and shipping lead times. However, the telecom sector, among others, is burgeoning in East Africa as nearly every country strives to increase telecom access on the continent with the lowest density of phone lines per capita. And a good local partner can create that necessary pathway to successful penetration of a previously overlooked market.

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