

## Harris Farinon Canada



### Taking Advantage of Proven Technical Competence and NAFTA

The Harris Corporation is a worldwide company with headquarters in Melbourne, Florida. With more than 28,000 employees worldwide, the company's annual sales surpassed USD 3 billion in fiscal 1993. Its four major businesses -- electronic systems, semiconductors, communications, and Lanier Worldwide Office Systems, service clients in both the commercial and government sectors.

Harris Farinon Canada, the Canadian subsidiary of the Harris Corporation, is located in Dollard-Des-Ormeaux, Quebec. The Canadian subsidiary currently performs R&D and manufactures medium efficiency and medium capacity microwave radio equipment for world markets. Export sales, which represented less than 20% of total sales in 1989, now account for over 90% of the company's total sales. The picture, however, was not always quite so rosy.

Harris Farinon Canada's original mandate in 1964 was to adapt U.S. products to the Canadian market. At that time, the company initiated the development of its own product line complying with Canadian regulations and fulfilling the requirements of its premier client, Bell Canada. By the early 1980's, Farinon became a leader in the Canadian low and medium capacity microwave market with an 85% market share. Its market base included the telephone companies and the utility and industrial users of microwave technology from British Columbia to

Newfoundland. By the mid to late 1980s, however, market trends forced the company to redefine its business.

Low domestic market growth spurred on by the telephone service providers' push to develop fiber optics, major changes in frequency regulation which prompted strong U.S. competition, the Canada -- U.S. Free Trade Agreement, along with the vast globalization of trade patterns, created several significant changes in the Canadian communications industry. Furthermore, the emergence of newly industrialized countries as important markets affected the company's general approach to the marketplace. Farinon found itself in a position of having to re-emphasize the importance of creating strategies and objectives intended to increase export sales.

In keeping with its proactive operational philosophy, the Canadian management began pursuing a major world research & development and manufacturing mandate in January of 1990. Faced with lowered domestic bookings, one of the main principles of the project was to create a stronger Canadian operation presenting a comprehensive product offering to an international market.

### World Mandate Boosted Company's Activities

Obtaining that world mandate proved a major success and provided the impetus for keeping Harris Farinon's operations in Canada. As Richard Peabody, President, Director General of the company explains, "As part of the Free Trade Agreement of 1989, some