

# Trading house, vacuum company sweep market

Canadian firms seeking Pacific Rim export markets will be interested in a quiet trip made recently by two Canadian businessmen, Dieter Hollweck, President of Overseas Projects of Canada, and Paul Muser, Chief Executive Officer, Beam Canada, Inc.

Beam is the manufacturer of built-in vacuum cleaner systems and winner of the 1987 Gold Medal in Marketing awarded by the Canada Award for Business Excellence program of the Department of Industry, Science and Technology Canada (formerly Regional Industrial Expansion--DRIE).

It was their initial business trip to Japan, Taiwan and South Korea but, because their products had preceded them, they went, not to seek entrance to the market, but to solidify existing market networks.

Moreover, their primary customer in Japan had already been to Canada--specifically to work with Hollweck and Beam Canada.

## Keys to Success

Interviewed in the Ottawa office of Overseas Projects, an export trading house, Hollweck attributed his success to what he calls the three Ps and two Cs of good exporting: Professionalism, Planning, Patience, Co-operation and Credibility.

Each element works with--and enhances--the others. Absence of any one dramatically reduces the value and effectiveness of the other four.

Reflecting on 12 years of international experience in 25 countries, Hollweck stressed the importance of co-operation and the responsibilities linking manufacturer, customer and export trading house. He summed it up with the observation that "good products are easier to find than good suppliers."

A good working relationship with an export trading house starts with a manufacturer able and willing to honour price, quality and scheduling commitments.

In the export business, however, this is just a beginning. Two additional elements are crucial:

The product must be modified to meet the needs and expectations of importers; and there must be a commitment to the export trading house which must justify the heavy investments and risks as it puts its hard-won reputation on the line with a new supplier/manufacturer.

The fact is: Reputations in the export business are hard won. They are also easily injured.

The relationship between Hollweck and Beam Canada is mutually beneficial.

Hollweck has exclusive non-North American export rights and, in turn, Beam sees, and profits from, sales in 25 countries world-wide.

These sales did not come easily or cheaply. While Beam Canada, established in 1977, was preoccupied with the problems of rapid growth at home, Hollweck had the product re-engineered and re-designed for export. This involves two distinct processes.

The first part of product modification is to meet engineering and mechanical requirements and to

conform to safety and operating codes.

Here one looks at factors such as voltages, plug and outlet configurations as well as joints and pipes compatible with market standards and dominant types of construction. Hollweck did this before he sought importers, knowing that simple, but uncorrected, technical obstacles have scuttled numerous export prospects.

If the first phase of re-design is missed by many potential exporters, the second is even more elusive. It's in the second phase that one tries to anticipate and meet cultural expectations.

Hollweck wants to know what a consumer expects the product to look or feel like. Hollweck's job is to find differences, spell them out and arrange for re-design.

The manufacturer then supplies the product customers expect. Appropriate industrial design is unobtrusive and unnoticed. Its absence, however, is glaringly uncomfortable.

Hollweck exported his first Beam in 1975 and regularly exhibits at major home and consumer durables shows around the world. Domotecnica (Cologne, West Germany), one of Europe's most prestigious, is such a show.

Here, in 1988, Hollweck had his first scheduled meeting with K. Izasawa, President of Japan General Appliances Co. Ltd., Japan's largest supplier of imported appliances and agent for companies such as Black & Decker and General Electric. Eventually, Izasawa hired a young engineer specifically to bring Beam to Japan.

## Why meet at a trade show?

At the show, Hollweck also worked with Beam distributors from nine countries, made new contacts and, in addition to renewing friendships and business ties, saw new products.

Hollweck is an avid supporter of international trade shows. He sees participation in them as being a cost-effective way of doing business. (Participation in some 150 such shows--worldwide--are planned by Hollweck for 1989).

Major trade shows are also part of the psychology of effective exporting.

Hollweck has exhibited at other prestigious international shows such as Interbuild and Ideal Home Show in England, Finbuild in Finland, Home and Hobby in Norway, Ideal Home Show in Australia, Saudibuild in Saudi Arabia and, most recently, the Tokyo Home Show.

Hollweck insists on having initial meetings with prospective clients face-to-face at international



*A clean sweep --Dieter Hollweck, President of Ottawa-based export trading house, Overseas Projects of Canada, demonstrates Beam Canada's built-in vacuum system at recent Tokyo Home Show.*

trade shows. His reasoning is that serious importers attend these shows and, as he learned many years ago: "You may never get a second chance to make a first impression good."

Initial meetings also allow potential importers to size up Hollweck by observing how he conducts himself over the long, gruelling haul of the international show.

Hollweck is confident that the quality of his display conveys the message he wants and his actions identify him as an exporter who works the booth and show floor rather than the cafeteria or bar. Eventually, the long hours on trade show floors and in showrooms of potential customers pay off.

Overseas Projects of Canada is not large but it is effective. The recent trip to Japan exhibited signs of more business in the making, what with a reception in Tokyo arranged by Canadian Embassy staff members John Treleavan, Minister-Counsellor (Commercial) and Mackenzie Clugston, Second Secretary (Commercial).

Somehow, Hollweck's description of the steps leading to a long-term export business almost sounds like an elaborate courtship ritual. He laughs at the suggestion but adds that a good export foundation should outlive us all.

Overseas Projects of Canada is also an accredited trading house with the Council of Canadian Trading Houses.

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Information on Canadian trading houses as export vehicles is available from Mike Reshitnyk of External Affairs' Export and Transportation Services Division. Tel: (613) 996-1862. Fax: (613) 996-9103. Telex: 053-3745.

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