

# VIDEOTRON

## How to Become a Player in a Highly Regulated Market

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### *the Canadian operations*

Vidéotron, a Montréal-based company, has been in the cable business for 26 years. It is the largest cable operator in Québec, and the second largest in Canada. Recently, the company acquired a majority interest in the largest French-Canadian TV channel.

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### *s overseas activities*

In order to find new markets for their Videoway innovation, Vidéotron decided to expand in Europe. After an unsuccessful attempt in France, they headed for the UK, first acquiring companies which had been awarded cable franchises, and then by applying for new franchises themselves.

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### *lessons to be drawn*

Even though Vidéotron has just started its UK operations, some of its decisions and actions are worth noting:

- In order to export and maintain the entrepreneurial culture on which most of its success has been based, Vidéotron's president sent his right-hand men to take charge of UK overall operations, and used Canadian employees to train UK workers.
- The company did a thorough marketing and financial study of the UK before deciding to go on. As part of this internal study, they asked Québec House to prepare an overall picture of the market (competition, contacts, regulatory environment).
- So far, good communications between Montréal and London have been maintained through extensive use of telephone and fax lines. UK management has accepted the necessity of staying late at the office (because of the time difference), and the need for making some decisions without being able to rely on Montréal's advice.

Furthermore, an appropriate degree of control has been achieved through monthly visits of the president.