

11. POSITRON INDUSTRIES INC.

Products/services:	Telephone trading turrets, emergency response equipment, protection products for telephone companies and power utilities and other specialized telecommunications products
Annual sales (1990):	\$35 million
Non-Canadian sales:	80 per cent
European sales:	1 per cent (<\$1 million)
European markets:	UK
Sales vehicles:	Distributors, direct selling from Canada
European presence:	None
Year founded:	1970
Entry into Europe:	UK, 1987

Positron Industries Inc. is a manufacturer of a broad range of specialized telecommunications products, including telephone trading turrets (dealer boards) for the financial industry, emergency response equipment (such as the 911 system) for municipalities, and protection products for telephone companies and power utilities.

Positron was founded in 1970. Its sales are now in excess of \$35 million, of which more than 80 per cent came from exports. Positron was the winner of a Canada Export Award in 1988 and also received two best product awards from the IEEE.

11.1 Markets

In spite of its enviable success in other international markets, Positron has been able to achieve only a token penetration of European markets. Positron made its first sales into Europe in the UK in 1987. At present, European sales account for only about one per cent of its total sales.

11.2 Barriers and Obstacles Encountered

According to Reginald Weiser, President, Positron Industries Inc., the company's lack of success is not the result of a lack of effort. Positron has tried very hard, including direct contact with the head of the French PTT, to have that organization adopt its power protection equipment. Positron is one of the acknowledged world leaders in the supply of products to protect communications systems in power facilities. In essence, Positron was told that there would be no sales in France unless the product were manufactured in France.

Positron's experiences in the UK have been mixed. On the one hand, Mr. Weiser was scathing in his condemnation of the business practices of some senior officials of British Telecom with whom he has had business dealings. On the other hand, he is optimistic about the market opportunities for Positron's dealer boards once the regulatory approval hurdle — which can take a year or two — is passed. Positron is now negotiating with potential UK distributors for this product.

11.3 Some Observations

Mr. Weiser thinks that it would be easier to access markets in countries such as Italy, Spain, Greece and the Netherlands, but these countries have not been a priority for Positron because of the limited size of their markets for its products. Positron has marshalled its resources to capture its share of larger and more easily accessible markets, such as South East Asia, the Far East and some of the Latin American countries.

11.4 Conclusions

This brief case study is presented here to give another side of the picture. Most of the previous examples show that it is possible to succeed in penetrating European markets, in many cases to significant and rather enviable levels. The experience of Positron Industries Inc., on the other hand, shows that there may be unwritten obstacles that prevent some types of products from being accepted in certain European countries.