

Parametric go on tour

Parametric Technology Corporation will conduct a 25-city seminar series in the US and Europe for Windchill, its Web-based product and process management solution that helps companies achieve competitive advantage through more effective product life cycle management. Primary sponsors of the 25-city Windchill seminar series include Computer Sciences Corporation, Ernst & Young LLP, Hewlett-Packard, Pricewaterhouse Coopers LLP and Sun Microsystems Inc. Other sponsors include Andersen Consulting, CACI, CAP Gemini S.A. and CMD Software.

SDRC lands contract

SDRC has signed a contract for SI-DEAS Master Series software and related services from the Business Unit Motors and Machines within ABB's Automation Segment. The contract is planned to involve ABB offices in several European countries, including Finland, Sweden, Switzerland and Italy. The contract, for an initial 47 seats, could be expanded to 180 seats or more.

OneSpace enters collaborative research

CoCreate Software Inc., a subsidiary of Hewlett-Packard Company, has announced the establishment of a research and development relationship centered around OneSpace with the Fraunhofer Institute for Computer Graphics. Fraunhofer-IGD will focus its research efforts on interoperability among CAD systems using OneSpace and will work with CoCreate to further develop innovative collaborative solutions and high-performance distributed graphics.

OneSpace is a CAD-independent, real-time, Web-enabled collaboration solution, which allows participants in a collaborative session to make changes to a model. Tilman Schad, CoCreate's chief executive officer and president said "The emergence of Web-based real-time collaboration has resulted in a need for new types of graphics architectures. We expect this research effort to lead to new breakthrough technologies in this rapidly emerging area."

# Dealing yourself a

I am delighted to be a part of this inaugural issue of *CAD Dealer* magazine. It is my hope that, over the coming months, this series of articles will provide you — the developer, distributor and/or dealer — with relevant information and ideas to assist in moving your products to the international market.

Our world is getting smaller. Electronic communications, electronic commerce and expansion of global markets have all contributed to our being able to work with associates and customers whom we have never seen. Each morning, from my office in the United States, I log on and communicate with clients and associates in the Americas, Asia and Europe. With the flick of a finger, I jet messages and images around the world, in an instant. My world is no longer limited by the distance I can physically travel; it is now only limited by the distance my imagination can travel. For you, it is the same. The world of your suppliers and customers is no longer limited by your ability to travel to them; it is limited only by your ability to communicate your ideas and needs to them. The challenge is to develop the tools to reach that world.

In upcoming articles, we will look at many aspects of international commerce, such as distribution agreements, distribution networks, product localization, and marketing. But, in this first article, I am going to limit my discussion to why international commerce is so important for both the developer/manufacturer and the dealer/distributor.

Let me start by describing basically what we all do in this thing called business. As business people, we are all part of an on-going chain of activity that requires us to purchase product or services at one hand, and sell product or services at the other. In the middle, we try to add value to the product or service, and then create revenue from sales. Using a simple formula, we all try to 'buy low' and 'sell high', and there by produce profits for our organizations.

This system works well when applied to a controlled environ-

ment where supply and demand are stable. However, in free markets where price is determined by supply and demand, a change in either or both factors can significantly affect a company's profit potential. This brings us to the first and possibly greatest benefit of international commerce: namely diversification.

**DIVERSIFICATION**

As a developer or dealer in a limited marketplace, you can be significantly affected if supply or demand for your product changes. As a seller of product, if demand goes up — you profit. If demand goes down — you lose. As a buyer of product, if supply goes down, you pay more. If supply goes up, you pay less. The objective is to create a situation in which you are not significantly affected by the dramatic changes in supply and demand. In other words, to effect a situation that changes the large ups and downs of the marketplace into smooth hills and valleys.

Developers can achieve diversification by expanding markets

*The keys are knowing what you want and knowing who can provide what you want*

beyond a single geographic or demographic area. For example, a developer or manufacturer in France might expand his market by creating distribution networks in the UK or Germany. When demand in France declines, he would be able to look to the UK or Germany for sales.

A further diversification for a developer in France would be to look to markets that would be even further removed from domestic market fluctuations, such as North America or Asia.. Likewise, any developer or manufacturer in any part of the world can diversify by establishing distribution in other countries, outside of the local geographic area.

Dealers and distributors can diversify their business by establishing suppliers (and customers) in broader geographic or demo-

graphic areas. Most dealers look for products that are local in nature — and with good reason. Local products are ready for the local market and allow you to have personal contact with the producer. However, to break free of the effects of local supply and demand, dealers/distributors must look for suppliers outside of the local region. This means locating and establishing relationships with developers and manufacturers in other countries. By doing so, you insure against market swings in several ways:

1. You establish multiple suppliers for a specific market, thus reducing reliance on one supplier;
2. You broaden your product offering, thus attracting more customers;
3. You expand your purchasing power, allowing you to attract better suppliers;
4. You remove yourself from the fluctuations of supply/demand (potentially higher prices) from a single market.

**THE REWARDS**

For all companies, selling and purchasing internationally brings rewards beyond diversification. All companies wish to establish themselves as a single source for their particular product or service. By establishing an international presence, you bring credibility to your organization. You create an image of a supplier that has gained knowledge beyond the local markets and of an organization that can bring creative or unique solutions to the complex problems of your customers.

For the developer or manufacturer, your experience in localizing product, negotiating agreements, and building international relationships will gain you valuable experience and recognition as a supplier of substance in all markets. For the dealer/distributor, your experience in managing the purchase of products from around the world will establish you as a reliable supplier of product in good and bad times, and will gain you valuable knowledge about what products offer the best solutions for your customers. For all

# world-class hand



**Nick Vasilieff: how to win in a shrinking world**

you need to get there.

## MAKING CONTACTS

Companies around the world are looking for suppliers and customers outside of their local markets. That means that, if you can contact those other companies, you already have a willing and ready supplier or distribution network awaiting you. All you have to do is reach the potential partner and initiate a communication. Industry expert

companies, this experience and knowledge will further enhance your reputation with existing customers and attract new customers looking for a quality supplier.

## WHAT IT TAKES TO BUY AND SELL GLOBALLY

We have established that doing international business can make your company more stable and help you to build a reputation as a substantial supplier to your markets. But what does it take to start working internationally? To begin with, it is not as hard as you might think, although it does require a lot of patience, persistence and investigation.

## MAKE A PLAN

Knowing what you want is achieved by defining your current position, where you want to go and outlining how to get there. In other words, MAKE A PLAN. There is an old saying that "if you don't know where you are going, you will never know when you get there". It is never more true than when building a company or expanding your markets. Creating a good business plan, and using it as a road map, will tell you and your potential suppliers/customers where you want to go, and what

resources like *CAD Dealer Magazine*, platform suppliers like Autodesk, or Bentley Systems, as well as the Internet, can lead the way towards finding potential product partners. We will explore each of these types of resources in future articles. For now, let me say that a search through each of these resources will give you plenty of leads.

## COMPLETING AN AGREEMENT

Then comes the hard work — negotiating an agreement, localizing the product for market, marketing, sales, and support of the product in the local market. Again, I will explore each of these activities in future articles, but for the time being I have provided a list of actions (*see box, right*) you will have to complete in order to establish an international relationship.

If this list looks overwhelming, let me remind you that these are exactly the same steps you go through now with local suppliers. There isn't anything new, except possibly the localization of product. I don't want to minimize the work required — it is a formidable task — but the rewards are more than worth the effort.

If taken one step at a time, and

if done with care and persistence, establishing international distribution or suppliers can be achieved with minimal risk, reasonable cost and with the potential for significant reward.

By now, I hope you are convinced that doing business internationally is generally a good idea, but I am sure you are questioning whether it would be good for your particular company. In future articles, we will explore in greater detail each step of setting up international distribution and/or finding international suppliers, as well as look at the benefits and costs of each step.

Meanwhile, I invite you to contact me through *CAD Dealer* with suggestions for future articles, questions about your own particular business problems or with solutions to distribution/supply problems that you have found successful in your business. You never know, a suggestion from a dealer in Asia might solve a problem for a dealer halfway around the world in Europe. After all, working together globally is what this article is all about. **CD MORE INFO:**

[www.caddealer.com/info.htm](http://www.caddealer.com/info.htm)

## GOING INTO ACTION

- Define your goal and requirements
- Locate potential partners
- Contact each with an inquiry, clearly stating your interest, your goals, and requirements
- Evaluate their product or capability, relating to your specification
- Pick a list of potential suppliers or dealers
- Provide initial proposal
- If agreement is achieved, arrange for personal meeting to take place
- Negotiations
- Final agreement
- Prepare product, define marketing plan, and budget
- Initiate plan

## Xerox choose Working Model

Knowledge Revolution has announced that its Working Model software was chosen by Xerox as its key application for motion simulation on Windows NT. The purchase consists of 500 seats of Working Model to be used throughout numerous Xerox divisions and product groups. Working Model enables engineers to develop functioning virtual prototypes in software, making it possible to simulate how a design will function in real life.

## Intergraph Computer Systems Wins Awards

Intergraph Computer Systems garnered 36 worldwide industry awards in 1998 for its high-performance TDZ 2000 ViZual Workstations, affordable TDPs, InterServe servers, and Intense 3D graphics accelerators. The awards come from a variety of industry-recognized computing publications and organizations, including PC Magazine, PCWorld, MacWorld, eMediaweekly (formerly MacWeek), 3D Design, AIM Technology, MaximumPC (formerly boot), New Media, CADALYST, WIRED, and Videography.

## AutoManager WorkFlow 6 released

Cyco Software announced that it is now shipping AutoManager WorkFlow 6, the latest version of the document management software for the CAD and Engineering environment. Engineers will benefit from AM-WorkFlow with enhancements that will make it easier to access, share, exchange, track and archive all the popular CAD and office documents. AM-WorkFlow 6 includes extended support for Mechanical Desktop 3, Internet Publishing, direct scanner support, an improved interface and faster viewing.

## C-MOLD go for Gold

SolidWorks has approved C-MOLD's 3D QuickFill as its first Plastics CAE Gold Logo Product Partner. The Gold Partner program is SolidWorks' answer to providing a suite of peerless solution products in the areas of engineering and manufacturing.