

Leading Canadian electronics distributor expands

TORONTO – November, 2009 – It's unusual for any company to announce expansion plans in the current economic climate, but a feisty, family owned, Canadian company is doing just that.

The 57 year old, Toronto-based, electronic and electrical components distributor, Electro Sonic Inc., recently announced plans to invest in two new facilities – one in Toronto, another in the Buffalo Niagara Region in upstate New York. “Our first commitment is to serve our over 16,000 Canadian customers with the same or better levels of service they expect from us,” said Eric Taylor, president of Toronto-based Electro Sonic Inc.

“Both facilities – a highly automated electronics distribution centre in the Buffalo-Niagara Region, and a new Canadian Headquarters in Toronto – significantly increase our capacity to serve existing customers and attract new ones,” he added. The move is in response to a number of profound changes in the market: in addition to the impact of the global recession and higher Canadian dollar, customers and competitors have been driven to lower costs to compete with offshore products. “We need to be competitive and also be where our customers are,” said Taylor.

According to Joel Rosenthal, managing director and the third generation of the family owned business, an opportunity exists to seize part of the emerging and rapidly growing industrial segment of the market. “Both these new facilities will help us reach a new type of customer and market – the industrial market – most of which is situated around the Great Lakes,” said Rosenthal.

Rosenthal said that while the plan for renewal is imperative for the company to continue to grow and prosper, it comes at a price: 40 employees will be laid off. “One of our strengths is our loyal, dedicated employees; we wouldn't have reached 57 years old without them” he said.

“We've had to reconcile among hard business and market truths, good people and a vision of the future. While I am clear this is the way forward, it comes with great sadness, too,” he added.

The Buffalo Niagara Region facility starts shipping January 4th, 2010; announcement of the new location for Electro Sonic's new Canadian headquarters will be made during the first quarter of the New Year.

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