



IT'S HARD TO BEAT THE QUALITY OF CANADIAN MADE CABLE

An interview with Cerco Cable's President Danny Gauthier

Companies that moved portions of their supply chain overseas, hoping to capitalize on lower purchase prices, have started to encounter higher freight costs, extended delivery delays and quality issues. While the purchase price of parts is enticing, companies ignore just how costly it is to manage a supply chain from half way around the world. After all, running an inventory with an extended lead time and complex logistics, doesn't reduce costs, it increases them!

Cerco Cable is a Canadian cable supplier with a different philosophy. We've managed to capitalize on our opportunities by sticking to what we do best; provide a proven, top quality product with minimal turn around time. Lead times aren't as big of a concern and any quality issues are immediately addressed.

We sat down with President Danny Gauthier and asked him about Cerco Cable's ability to deliver high quality, time sensitive products to its vast customer base.

Question #1. Why is it so important for installers to ensure the low-voltage electrical cable they're buying is made in Canada?

Mr. Gauthier

I'll give you an example. On paper, our [AT-HOM 29](#) Canadian-made line of building controls cable is not the least expensive. However, when you factor in the product's quality, performance and availability, there is simply nothing that compares. The consistency from one production run to another is paramount. It's a premium product that adheres to the strictest specifications and we just couldn't get that from an overseas manufacturer. We currently monitor the amount of product that gets returned and when it comes to Canadian-made cable, not only do we return very little, but we get very few customer complaints.

Where [Cerco](#) has occasionally encountered problems in the past is when we imported overseas product. For example, [category cable](#) is not made in Canada, and often comes from overseas. Cerco has on occasion supplied cable from Asian manufacturers to meet market pricing. We've received feedback that the foreign-made product kinks or twists coming out of the box, is stiff and doesn't de-jacket well – real variations in terms of quality from one batch to another, and from one manufacturer to another. It's a classic example of "you get what you pay for". We always try and steer our clients towards the top quality product, however, overall cost is often overlooked in favour of price.

For installers, their profitability is dependent upon being able to get it done right the first time. Quick installations done correctly point the way to profitability, satisfied customers, more referrals and repeat business.

Question #2. The three main issues driving most purchasing decisions are Quality, Price & Delivery (Service). Can you talk about how these key drivers directly influence each other depending on how much emphasis is placed on each?

Mr. Gauthier

For our customers, time is of the essence. For them, it's the truest meaning of the old saying, "time is money". For instance, if there is an unforeseen delay in delivery with Canadian made cable, it's typically a week or less. Cerco typically has enough safety stock to deal with minor delays like this. However, that's simply not the case when the cable is coming from Asia. I can't tell you the number of times I've received urgent calls from customers whose main supplier couldn't provide product because their shipment from Asia is delayed. It doesn't take much for it to happen. Improper paper work, delays waiting for containers, damage to product and the myriad of INCO terms are enough to sink any company purchasing product from distributors that rely on Asian suppliers. The issue is not just the product's quality, but the reliability of logistics from overseas. It's a constantly moving target, where one delay leads to another.

Our customers have time sensitive requirements. They need the product on time, on the floor and in good working condition. If you're an installer relying upon that cable and a supplier's shipment of overseas product varies with global trends, it creates another variable of potential inconsistency that can drastically increase your project costs. Yes, you can sometimes find a supplier with that lower priced Asian product, but the risks are just too high in my opinion.

I'm very fond of Cerco's focus on aligning itself with Canadian cable manufacturers that produce top-quality product that is ISO certified, RoHS specified and that meets all the UL (Underwriters Laboratories) and CSA (Canadian Standards Association) standards. At the end of the day, it's one of the outstanding testaments to the excellence of Canadian innovation and manufacturing. Here are manufacturers who have weathered the Asian storm and competed against a flood of low-cost Asian products. The story really stands out when compared to other manufacturing sectors that have been hit hard by imports. I want our clients to feel just as good when they see "Made in Canada" on their box of cable.

Question #3. Is there really that big a difference in quality between Canadian-made product and that from Asia and does the difference in quality justify the additional costs?

Mr. Gauthier

Well, it depends upon the individual buying the cable and the installer using it. For the individual in purchasing, who only wants the lowest possible price, there isn't a difference. However, try telling that to the installer managing the project. Installers are keenly aware of the differences in quality between Canadian cable and low cost Asian cable. We've had cable from two suppliers that both met the required specifications, and yet the installer was able to notice the subtle differences and nuances from one box to the next.

When we work with a guy who pulls cable for a living, he's immediately aware of the differences in quality. Every cable puller out there has had an experience where the cable doesn't pull properly, doesn't de-jacket properly or gets stuck in the box. The first question they ask is "who makes this stuff?" If that cable has caused more problems than it solved, the manufacturer or distributor that provided the cable will be blacklisted.

Purchasing agents often focus on the lowest price, but they don't have to manage the project the way installers do. Everyone is clamoring for lower prices. We understand that. We're under constant pressure to come up with better pricing on products. However, there's an inherent trade off between pricing and quality. Given the choice, Cerco would much rather provide a customer with a more comprehensive and consistent solution. This means a quality product with proven performance that won't leave the installer working overtime because a box of cable is giving him a hard time. Project costs are measured by the installer's ability

to finish the project on time and on budget. Savings on the front end with cheap cable, does nothing more than add higher project costs on the back end. We look at this when stocking our shelves, and pride ourselves on our [Canadian made cable](#).

I think the real issue is that you do have choices but the Canadian product is still very reasonably priced. When installers use it, they should feel good about it.

Question #4. Is it more an issue of national pride and wanting to support Canadian-owned businesses than a real difference in the cable itself?

Mr. Gauthier

We want our customers to feel as good about the Canadian product they're buying as we are about providing it. Cerco prides itself on ensuring our customers get the best quality and consistency at a competitive price. It really is a Canadian success story. Despite an influx of low cost Asian cable into the market, and a turbulent global economy, Canadian cable manufacturers have remained one step ahead of Asian competitors by providing a reliable, competitively priced product, built on quality and consistency.

There's also the ongoing issue of innovation. We work hand in hand with our clients to develop cable to meet their changing needs. Our inventory looks very different from year to year. Again, the subtleties are best worked out with someone who's familiar with what you do and has the local certifications and building codes ingrained in their production. Some of the requests we get are quite complex and we're always confident with Canadian solutions.

Buyers and installers should feel good that they're supporting Canadian industry, not just because it's Canadian, but because the quality is beyond reproach. You should feel good knowing that you're buying a Canadian product that not only works, but consistently works very well. The primary elements of our electrical grid are made right here in Canada.

Question #5. Why not go for the low price and flood the market with cheaper cable if that's what buyers are looking for?

Mr. Gauthier

We could do that, but then we would be jeopardizing our 30+ year reputation with our customers and suppliers. A reputation we've built on trust and one simply not worth risking by going for a few extra dollars. Of course, there are exceptions where an item is no longer produced in Canada or where the labour intensive nature of the product forces it to be made elsewhere. These are, however, the exception to the rule.

Customers who deal with Cerco Cable know they're buying quality product. That piece of mind allows them to concentrate on other aspects of their business. We are simply not interested in having our customers worry about the quality or consistency of the product they purchase from us. They have other issues to focus on.

Cerco constantly screens and monitors manufacturers to ensure quality and reliability. We get solicited on a weekly basis by different cable manufacturers, but we pride ourselves on being a trusted source of [Tier 1 cable manufacturers](#). The approval process is involved and we like the reliability, quality and availability of Canadian-made product, as do our valued customers.

Should you have any questions or comments regarding this newsletter, please send us an email at info@cercocable.com or contact your Cerco Cable advisor today at (514) 631-4331 in Montreal or (905) 670-3777 in Toronto.

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