

Acquisition

PROs

Reduces much of the uncertainty linked to setting up greenfield operation in a foreign country.

Allows immediate gain of market share and of goodwill.

Quick way to break into a market with established players and high barriers to entry.

CONs

You buy everything: the good and the bad aspects of the company.

Considerable time must be spent on adapting the acquisition to parent company's management style and culture.

Greenfield Investment

PROs

Possibility to start with newest equipment technology.

Complete freedom over location.

Possibility to make a fresh start on corporate image.

CONs

Need to find your own customers, suppliers and employees in an unknown environment.

Not as much control as with an independent operation.