

Strategic Alliance

PROs

Gives quick and easy access to unknown and sometimes close, market.

Good way to get to know a company before forging a more formal partnership.

CONS

Much uncertainty because of looseness of the agreement.

Risks of being spied on by your partner.

Joint Venture

PROs

Allows exploitation of synergies.

Decreases risks of market entry into a new market or sector.

Efficient way to learn other management methods.

CONS

Possible clash of cultures.

Not as much control as with an independent operation.

Coattail Investment

PROs

Secured sales, 'bread and butter' business.

Possibility to explore the market around you.

CONS

Heavy dependence on one client.