

In every case however, it is shown that the smallest companies will have to rationalize their operations by focusing on a specific market segment. This should not be too hard to do since most of them are already specialized in a very small segment of the production process.

## 2 - Growth

For Canadian firms that want to expand their market, this means going overseas and trying to gain a share of the third countries market. We see two ways to do business with these countries:

- 1- Directly from the Canadian office.
- 2.- Opening a "new office" in the Community.

Let us look at the first option.

- A strong Canadian company could decide to do some representation in third countries on its own. This means that this firm is already very strong financially speaking, that its technology is ahead of the competition, that they are willing to incur the costs of foreign operations, promotion, R and D and travel. The key is to ensure a presence and in order to do that companies need a strong financial capacity.

On the other hand, these companies are keeping their independence. They still can do business whenever they want with whoever they want. However, we do not expect many Canadian firms to do so since it requires a very strong financial capacity and a technological edge on the competition such as drilling in difficult environment. It is clear that not every large company has a technological edge on the rest of the world.

If the company is not interested in taking all these risks alone, another scenario is possible in acquiring or merging with European firm. This implies however that: