

3. AVOIDING POTENTIAL PITFALLS

Below are noted some of the potential difficulties you may encounter, together with Canadian companies' views on how to avoid or overcome them.

DEVisING YOUR ENTRY STRATEGY AND TACTICS



How best to get to know the markets?

At least start by consulting a Trade Commissioner. The overseas trade offices were found to be most useful in giving advice on the "lie of the land".

If you do your own market study, send top-level people from the parent company who are able to focus on key information more quickly and more efficiently.

If you use external consultants, make sure they understand your objectives and requirements very clearly from the start.

Take full advantage of the information you can get through trade associations, the experience of your peers, and explore the trade magazines. In the UK you will find market and company data easily, not so in the rest of Europe where you will have to rely much more on talking to people in the industry.

If you go for the acquisition process, exploit to the full the knowledge and experience of existing key staff. Survey all European countries, not just one. Conditions could be very different next door. Also you might be able to identify scale factors across Europe for your product.



How to decide on the base country for your overseas activities?

Compare a number of countries on a 10 point scale using factors such as:

- ease of acquisition
- ease of repatriating money
- taxation level
- communications and transport facilities
- quality of labour force, etc.
- government incentives availability should be treated as a balancing factor between equal options.

The UK offers the advantage of a great similarity in language and culture, but will not be representative of other European markets. Indeed, the insularity of the UK is reflected in the fact that most industries are structured differently in the UK than on the Continent.

France is a welcoming country for French Canadians and is also used as a base to market to Southern Europe and Francophone Africa. But business practices are very different compared to North America.

Germany in itself is found generally as a difficult market to enter because of intrinsic rigidities in business practices. However, once established in Germany, a market position is well rewarded and relatively secure. Germany is also at the door of Eastern Europe and a number of companies use Germany as a base to market to the Middle East too.

Having decided on your entry point, bear in mind the next steps of establishing your presence in Europe.
