

### 3. AVOIDING POTENTIAL PITFALLS

## PRO'S AND CON'S OF ENTRY ROUTES CHOSEN (cont'd)

### ACQUISITION

#### Pro's

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

Allows immediate gain of market share, and of goodwill

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

#### Con's

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

### "COAT TAIL" INVESTMENT

#### Pro's

Secured sales, "bread and butter" business

Possibility to explore the market around you

#### Con's

Heavy dependence on one client