

3. Avoiding Potential Pitfalls

Below are 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 do I
decide on the
base country
for my
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; and
- government incentives availability (should be treated as a balancing factor between equal options).

The United Kingdom offers the advantage of a similar language and culture, but will not be representative of other European markets. The insularity of the United Kingdom is reflected in the fact that most industries are structured differently in the United Kingdom 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. However, business practices are very different compared with North America.

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

The Netherlands is often chosen as a European warehousing and distribution centre. French and German markets can be easily served from the Netherlands.

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