

Figure 4 - Globalization Threats and Opportunities for SMEs

		Customer's Competitiveness		
		High		
Customer's Industry Structure	Favourable	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> · form horizontal alliances with other SMEs · partnering with customer · product line extensions · geographic expansion · increase value added · increase size · increase profitability <p><i>Threats</i></p> <ul style="list-style-type: none"> · over extension · cannot keep up with customer · loss of strategic control 	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> · follow customer into new products/markets <p><i>Threats</i></p> <ul style="list-style-type: none"> · over expansion · stalled/slowing growth · loss of strategic control · increased costs · declining profits 	
	Unfavourable	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> · stronger ties with customer · forge links with new customers <p><i>Threats</i></p> <ul style="list-style-type: none"> · stalled/slowing sales growth · increased costs · technological decline · being blind sided by competitors 	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> · seek new customers <p><i>Threats</i></p> <ul style="list-style-type: none"> · loss of customer · severe profit decline · downsizing · takeover · predatory competition · bankruptcy · deinternationalization 	
		Low		