

Notes on compsis case study essay sample

[Finance](#), [Investment](#)



Compsis are a business of which is already well established within the Brazilian market; despite this, in order to improve, grow and branch out it is clear that the company must expand further than that of their current domestic market. Recent revenue figures show declines within some areas of the business, for example the SICAT division's revenue has decreased by nearly 75% going from 44.2 million in 2002 to 10.4 million in 2004. These figures help to point out that the business could potentially be at risk if continues to operate in the same way with the same business model.

Despite their current situation happening as a result of delayed government action, regardless of whether it improves or not the company will always be in a somewhat risky and unstable situation with limited knowledge, contacts and customers. The two obvious markets that emphasize the most potential are probably the U. S and large emerging economies such as India and China, The U. S obviously offers the one key aspect that Compsis needs; an extremely vast potential target market with millions of people using toll services every day.

Americas already developed and available market would complement the services Compsis has to offer, especially with their newly developed software and possible lower prices. Compsis' potential to provide high quality and a range of services indicate how successful they could become once established in a range of different economies; especially the U. S. where toll road projects in most states has continued to increase. Their two levels of auditing and overall financial supervision combined with the various interlinked services they are able to offer (SICAT, ATMS, SMV, SGM) means once established they can differentiate and offer a higher quality service for

lower prices. Because of this and their lack of current disposable income it would seem most appropriate to invest in some sort of partnership; the most practical would be with a business such as Transcore. By joining with one of the most dominant companies of which offers many similar services, Compsis would be able to take advantage of their strong presence within a massive market as well as potentially learning more about ETC and ITS processes.

Furthermore, with their newly upgraded SICAT software it is likely they will be able to meet and cater to the needs of a market who are concerned with quality over extremely price sensitive markets seen in places such as India. Other options could also allow the business to expand such as VAR or being a preferred vendor, however this wouldn't provide the instant exposure and establishment than that of a partnership. This in turn would enable to business to improve revenues and potentially capitalize on areas of the business that aren't currently being utilized (ATMS, SMV) and so in the future allow them to focus on other types of economies such as LED's when they have the capital and further experience to diversify their products to meet the needs of all types of customers.