

An advantage and a disadvantage of a large, public company because of its corpora...

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The recent interest in initial public offerings has created quite a stir within the business world. For instance, the initial public offering of Facebook saw the stock price plummet by very large percentage within the first few days and weeks after it was freely floated. For purposes of this brief analysis, the author will consider the case of Twitter. Ultimately, much like Facebook, Twitter was offered to the general public as a means of taking the Giant from private ownership to a more corporate structure. However, once this was achieved, key benefits and drawbacks have been noted. For instance, a key benefit that can be seen is with regards to the fact that the initial public offering in stock price of Twitter has progressively risen since its first offering (Wilhelm, 2014). This of course stands in stark contrast to what was predicted and the way in which a similar platform, Facebook, behave. However, tangential to this, a noted drawback that the authors of several articles have noted has to do with the fact that Twitter has the difficulty of living up to an unrealistic expectation. As individuals have seen the rapid growth and advance in stock price, more and more investors have come to see this as a lucrative investment through which they can make something of a sudden gain upon their initial investments. However, the fact of the matter is that Twitter is an established tech company and seeks to provide a level of resilient growth without being seen as an investment instrument. In this very manner, the negative drawback of the growth that Twitter is facing is ultimately the result of its success.

#### Reference

Wilhelm, A. (2014, January 13). IPO Underwriter Goldman Sachs Boosts Its Twitter Target 41% To \$65 | TechCrunch. Retrieved February 3, 2014, from

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