

Acquisition strategy



The Significant Role of Acquisition Strategy Robert Sims Strategic Planning Ashford The Significant Role of Acquisition Strategy Acquisition strategy is not merely about planning for different ventures and get success in business programs, but it's about the steps that are taken in order to eventually buy another company(s). However, not every acquisition strategy involves the willing participation of the business targeted by the buyer. The acquisition process may involve what is known as a company takeover. This is usually fulfilled by acquiring adequate shares of the targeted company's stocks to force a sale. There are very successful examples of acquisition strategies that we have seen over the last decade. I'll pick two of the most important ones and discuss them; Walmart and Google. Both these companies are from totally different industries and have made a benchmark for the rest of the business world.

Google:

It's not an unusual thing to hear Google taking its business to new levels by massive buyouts such as YouTube and DoubleClick, or even partnership with huge companies such as with AOL and MySpace. However, Google's acquisition strategies are different from most of the other companies. Many of their acquisitions seem to come out of nowhere and seem totally random. The secret of Google's success is to follow the numbers. With their data acquisition and statistical gathering technologies —Web Search, AdWords, Blog Search, Maps, GoogleBot, Finance, AdSense, and so on — Google calculates and analyze the following and then work on the acquisition strategy:

Size of the audience

Growth rate of the business

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Current and potential competitors

Potential capitalists

Pertained technologies

Market potential

Finally they put all the pieces of the big picture together. This picture lets Google find out the value of a corporation.

Walmart:

Walmart has laid out its core strategies to create the “ Next Generation Walmart” as the company approaches deliverance on founder Sam Walton’s dream of giving the world “ an opportunity to see what it’s like to save and have a better life”. Wal-Mart mostly works on overseas acquisitions as U. S based companies acquiring would face anti-trust problems. Walmart’s biggest acquisition strategy is to move into new cities and countries and sell high range of products in low prices. After building trust among the local customers walmart goes for acquiring other companies. One of the most substantial things that play a significant role in walmart’s acquisition strategy is its goodwill. I don’t think there would be anyone in any part of globe who would not know about the walmart chain of stores. This is what helps walmart in applying their acquisition strategy and give them their desired results. In easy words; walmart Moves in, sets up, sell high range of products in low prices, drive the competition out and take over other companies such as ASDA.

Conclusion

Thus, acquisition strategy is all about planning to build up a reputation while making good business and then buying out other companies that can add more profits on a higher extent. In the above context I briefly explained how

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Google and Walmart work on their acquisition strategies to gain tremendous success.

References

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