

Good the corporation
that has acquired
another company,
merged with another
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Assignment 4: Merger, Acquisition, and International Strategies

Organizations seek business opportunities using different processes that make them achieve their business goals and objectives. Sprint Corporation is an international company based in United States involved in provision of wireless services and global internet carrier. The company is one of the largest wireless network operators in United States and serves more than 54 million customers worldwide. Sprint Corporation developed a need to merge with another company in U. S. in order to pull their resources and ideas together to form a strong corporation. The company management proposed a merge with Nextel Communications on December 14, 2004 to form what is today commonly known as the Sprint Nextel Corporation. Sprint Corporation purchased Nextel Communications for tax reasons (they purchased 50.1% of Nextel). Various strategies led to the merger of Sprint and Nextel as discussed below (Evans, 2012).

Firstly, during the time of merger Sprint was the third while Nextel Communications was the fifth wireless network operator in U. S. the fact that Nextel Corporation's performances were appealing made Sprint Corporation management consider a merger. The main strategy that forced Sprint to select Nextel and not any other company was because the Nextel was well managed and their products were internationally known. In addition, Sprint merged with Nextel in order to bring together their ideas and come up with effective network technologies. Secondly, Sprint Corporation's reason for merging with Nextel was because it could not address the problem of disparate network technologies and found the best strategy was partnering

with Nextel Communications because they could solve the problem (CAPITALCUBE, 2012).

The merger between Sprint Corporation and Nextel Corporation was not a wise choice. To justify this, in 2006 Sprint Corporation terminated all her telephone operations such as the United telephone Companies and Centel. This made the company incur many losses in an effort to pay Nextel its 50.1 percent share worth 29.7 billion U. S. dollars. In addition, Sprint Corporation operations internationally were minimized because it could not manage to serve local clients and at the same time engage in international business. On the other hand, Nextel Corporation's current share price has decreased by almost 4 percent because of low sales output and disagreements between the two companies (CAPITALCUBE, 2012).

A corporation that has not been involved in merger or acquisition

Some corporations conduct their businesses without any merger or acquisition. A good example of such a corporation under the telecommunication industry is Frontier Communications Corporation. Frontier Communications Corporation is based in U. S. and provides services to local customers (Frontier communications Corp, 2014). The company has never thought of acquiring or merging with another company in America since its establishment. Frontier Communications could be well placed by merging with AT&T Inc. AT&T Inc. is a multinational telecommunications corporation in America and the second largest provider of mobile telephone. AT&T Inc. would be a profitable target for Frontier Telecommunications Corporation for the following reasons.

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Firstly, AT&T Inc. is a multinational corporation making it more prone to business opportunities outside the U. S. This would create a better opportunity for Frontier to gather more international strategies and provide excellent services to her customers. In addition, AT&T Inc. is a well established company that shows high performances all year round. If Frontier Telecommunications Corporation could merge with AT&T, their production would increase and, provide more advanced services to local Americans. AT&T Inc. is also a profitable target when it comes to funding of proposed projects. The company has a large pool of resources that combined with those from Frontier would make a big corporation offering wide range of telecommunication services (Frontier communications Corp, 2014).

Secondly, AT&T Inc has acquired and merger with many companies across America and the process has been successful. Through these mergers and acquisitions, the corporation has management to come up with an effective corporate structure that sells the services offered. Frontier Corporation could also gain better marketing and offering strategies by joining AT&T Inc. using a merger. AT&T Inc. could also increase the number of target markets for Frontier because customers always like being associated with a known organization. The performance of AT&T Inc. is capable of boosting Frontier Telecommunications Corporation services among locals. Moreover, the partnership between these two companies would lead to profits and losses sharing depending on the amount of shares each has on the merger.

International business-level and corporate-level strategies for Sprint Corporation

Sprint Corporation is an internationally recognized wireless operator whose business and corporate strategies are unique.

International business-level strategy

Under the international business-level strategy, Sprint operates under the following; demand conditions, factor conditions, related and support industries, and strategy, structure and rivalry. Sprint is based in United States but performs its businesses internationally hence, it has unique business-level strategies related to factors of production. One of the most beneficial factors of production possessed by Sprint Corporation is the availability of technology in U. S. technological advancement and new innovations in U. S. make the corporation offer unique products and services to its clients making it win the international competition. In addition, technology and innovations have made the company develop new methods and strategies leading to national comparative advantage.

Secondly, Sprint Corporation services are much demanded internationally. The firm has devoted more attention to wireless internet communication processes because they fetch a lot of profits from foreign firms. In addition, it has created a more demanding local market that promotes national advantage. America has some of the best wireless companies in the world making it possible for Sprint Corporation to easily implement business-level strategies.

Thirdly, related and support industries help in the implementation of business-level strategies at Sprint Corporation. Partnering with Nextel

Communications assisted the company improve its business strategies and gain more competitive advantage. In addition, the competitive nature of local industries makes Sprint enjoys a more cost effective and innovative process. Sprint and Nextel Corporations in U. S. are high-tech companies whose combined efforts yield better results for individual company. Finally, the international business-level strategy for Sprint Corporation is promoted by its structure. Sprint Corporation's firm structure is very effective in addressing issues related to employee performance, productivity, sales output, and overall company management. The company uses Porter's Five Force model to evaluate the effectiveness of its strategies for both local and international markets. In addition, the corporation has many local and international recognized competitors such as Google, Apple, and many more. Sprint strategic planning in terms of mergers and acquiring some small firms makes it more popular.

International corporate-level strategy

One of the best corporate-level strategies adopted by Sprint Corporation is the multi domestic strategy. In order to sell their services internationally, Sprint and Nextel Corporation conducts research on each country's wireless needs and the availability of rivals. The multi domestic strategy helps the company develop various plans on how to win the competitive advantage using pricing strategies, advertisement, promotions, and effective product offering. Secondly, Sprint practices global strategy whereby all its services are standardized. This has allowed the corporation to compete in the global market by providing same wireless services, identifying customer needs

across borders, and adding value to available services. Some of the strategies practiced by Sprint include offering free internet bundles for consumers who frequently use their wireless services (CAPITALCUBE, 2012). Sprint Corporation also uses the transactional strategy as a corporate-level strategy while conducting her international businesses. This strategy allows the corporation achieves global efficiency and also gains local responsiveness. Wireless and global internet services are well known transnational services demanded by almost every country. With this strategy, Sprint Corporation manages to maintain its secrets that make it attract more customers.

Recommendations

In order to improve their services and attract more customers, Sprint Corporation could focus of customer satisfaction. In order to achieve this, the corporation could provide services under the present technological advancements and innovations. On the other hand, the corporation should focus of developing a transnational organizational capability in order to adapt to the changes in the dynamic environment. Both business and corporate-level strategies should global using a combination of strategic management and international business processes. Finally, Sprint Corporation should have an effective communication between different companies in all areas in order to share challenges and recommendations aimed at improving the firm.

Business level and corporate level strategy for Frontier Telecommunications Corporation

The most recommended business-level strategy for Frontier is the coordination of unit activities. This business-level strategy will allow the corporations address all individual unit activities by breaking them down into departments or individual job positions. This strategy will ensure all business activities involving telephone communications are effectively handled by the concerned department. In addition, this strategy will improve the performance of supervisors and managers because they will be allocated specific duties and roles. Better coordination among company staff members and the shareholders ensure high productivity and proper allocation of resources (Pehrsson, 2007).

On the other hand, Frontier Telecommunications Corporation could adopt the value-creating strategy. Value creation forms one of the best strategies corporations use to attract and maintain target markets. The corporation should seek to add value to their services through improved technologies, clear communication gadgets, and effective customer care services. These strategies will add real and perceived value to Frontier telephone services through exploiting economies of scope. In addition, the corporation should make use of the capabilities, strengths, and resources to increase efficiency and reduce costs of production. Value creation corporate strategy has helped many organizations achieve tremendous growth and develop a higher market share both in the local and global markets (Pehrsson, 2007).

The following strategies would help Frontier Communications Corporation improve its services and acquire a larger pool of customers. For instance, the

business-level strategy of coordination of unit activities has been used in most organizations today. Corporate managers have realized that senior people in a company leave most work to their juniors. This strategy helps minimize such instances, and for Frontier Communications it will help promote its services to the local telephone users. The value creation strategy under the corporate-level also plays a significant role in the growth and development of an organization. Frontier Communications Corporation is involved in providing telephone services to locals in U. S. Through value creation, the company will attract more people because of improved and effective services.

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