

Essay on company newsletter

[Business](#), [Company](#)



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For the past three months, our company has been in constant meetings about merging our company with our competitors, at last the deal has been finalized. I will take this opportunity to shade a little light on this subject of merging. A Merger is a common business practice where businesses, who sell the same products and services, join their operations legally. The benefits that will accrue from this merger will put the company ahead. The first advantage is the network economies, when two companies join forces, they create a bigger network, our company will have a more national outlook, which relates to larger sales.

Our company has been doing constant research in order to better our services, but since we have, a new partner on board the company will have more money for research. Economies of scale arise from mergers especially if it is a horizontal merger just like ours; it refers to the increasing returns as a result of expansion. The firm will avoid duplication since before the merger, we produced similar products and we were targeting the same market, the money could be used in other activities such as improving the employee's welfare.

The long-term benefit of mergers is that the company might reach the monopoly status. A monopoly status comes with lots of benefits for the company; the company will have no competitors, a national outlook as well as maximizing on the economies of scale.

On the negative side, mergers can lead to fewer choice for customers since both companies will be operating as one. Diseconomies of scale can be experienced too. Our worst fear that mergers can lead to job loss was avoided, since all the employees were retained. Let us hope this merger will work out well and we all benefit from it.

Letter of support

15th November, 2012

Kurt Philips,

President and CEO,

Maine Industry,

New Port Beach, CA 9320-7209

Dear Mr. Kurt,

Since the merger, our employees have been worried about their state in the company. Issues such a job security, long-term company prospects and protection of existing wage and benefit packages been brought to my concern.

The employees need to be assured that they will keep their jobs. After the merger grapevine in the company says that the employees are worried about being downsized, since the management has not addressed that issue.

The employees need to have a high-level job security in order to carry on with their duties effectively. In relation to that, the issue of increasing benefits has been a nagging issue even before the merger. The employees know that with this merger the company stands to benefit from the economies of scale, so this is the right time to address the issues of benefits.

After the merger, what other long-term company prospects do you have? The merger has been our objective since the beginning of the year, now what is next? The merger was a way of expanding the company; the company now has quite a bigger market share and bigger outlook. The company needs to come up with ways of gaining a national outlook. Please address these issues.

Sincerely,

SKYLAR SANDRA

Communications Manager.

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