# Problems of merge and acquisition

Business, Company

In a merger, the boards of directors for two organizations approve the mix and look for investors’ endorsement. After the merger, the obtained organization stops to exist and turns out to be a piece of the acquiring organization. For instance, in 2007 a merger bargain happened between Digital Computers and Compaq whereby Compaq assimilated Digital Computers.

In a basic terms, the aquiring organization gets the greater part stake in the acquired firm, which does not change its name or lawful structure. A case of this exchange is Manulife Financial Corporation’s 2004 acquiring of John Hancock Financial Services, where the two organizations saved their names and hierarchical structures.

In an acquisition, as in a few mergers, an organization can purchase another organization with money, stock or a blend of the two. Another plausibility, which is basic in littler arrangements, is for one organization to get every one of the assets of another organization. Organization X purchases all of Company Y’s assets for money, which implies that Company Y will have just money (and obligation, assuming any). Obviously, Company Y turns out to be simply a shell and will in the long run sell or enter another territory of business.

## Following are the some difficulties encountered with a merger-acquisitions

Loss of experienced workers beside specialists in initiative positions. This sort of lost unavoidably includes loss of business comprehend and then again that will stress to trade or will solely get supplanted at decent valve.

Because of M&A, representatives of the little blending firm may require comprehensive re-skilling.

Organization will confront significant troubles because of grindings and inside rivalry that may happen among the staff of the assembled organizations. There is conjointly danger of getting surplus representatives in a few offices.

Blending two firms that are doing comparable exercises may mean duplication and over capacity inside the organization that may require conservations. Increment in expenses may come about if the correct administration of adjustment and furthermore the usage of the merger and procurement managing are deferred. The vulnerability as for the endorsement of the merger by appropriate affirmations.

In numerous occasions, the arrival of the offer of the organization that caused buyouts of other organization was not as much as the arrival of the part all in all. Thanks to LEXIT that is here revolutionized mergers and acquisitions.

Distributed ledger technology puts the power firmly back into the hands of the consumer. This ideal carries through on to the LEXIT platform where company assets can for the first time be bought and sold online. Blockchain works to speed up all processes on a platform. Immutable, transparent – we think that it’s set to revolutionize how we conduct mergers and acquisitions.

Currently, the cost of accessing the market for M&A hinders smaller businesses quite a lot; they don’t always have the reserve cash to pay all of the legal fees, etc. but LEXIT is all about bringing down barriers, all that are possible. The blockchain is always evolving and this exciting new paradigm is set to help us solve complex problems in a straightforward manner.

## So What Is It About Blockchain?

Amir Kaltak, CEO: “ Let’s have a token within a platform, instantly transferring safe and secure, on the ledger.” When a transaction is on the ledger, it cuts out the middleman almost entirely – that’s the point of peer-to-peer – and on the blockchain it can be verified in a fraud-proof manner much quicker before.

Strangers might be considering or trying to push through a deal with millions on the table; before, you more or less had to pay for expert advisory help to ensure that the process didn’t burn you. Blockchain technology carries inherent trust within it, meaning that trades can be conducted with total confidence in the other party’s commitment to the deal. This is the power of smart contracts: the ability to write automatic, self-executing contracts gives each party the power to conduct a stress-free transaction. It also levels a playing field which previously favoured the larger company, whereupon the system gave undue control over the deal to those with more resources We believe in the future of the blockchain and know that it is set to change the world as we know it. Our CTO Wahid Khilji puts it best: “ All the blockchains, they are evolving.”

“ Everytime [we look] we see something new from the blockchain.” That is our modus operandi, with such a new technology that will have a before unimagined effect on the world, it can be more important than ever to keep an open mind and always push boundaries in our effort to innovate.