

Aol time warner

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The merger between the AOL and Time Warner is most certainly a challenging undertaking. To mix a traditional culture existing at Time Warner as 'old' company with the flexibility of the 'new' AOL culture was both risky and promising.

The merger promised Time Warner entrance into the new digital markets where it lacked expertise and created synergies to consider. As a leader in interactive services and owner of powerful Web brands, AOL could deliver performance in areas that promised the greatest growth in the years to come. At the same time, Time Warner with its large asset base created a climate in which AOL would have resources for the realization of the most ambitious projects and undertakings.

The choices vary depending on the degree of freedom companies want to have in their operations. On the one hand, AOL and Time Warner could remain to function as two separate entities, undivided by controversies. In this case, the merged company would only engage in cost-saving and some cross-marketing strategies to increase the profits of shareholders.

On the contrary, the company can choose to undertake a massive cultural overhaul in order to blend the two parts closer together. This choice is extremely risky as the two cultures represent different poles of managerial culture.

In my opinion, the first choice is the most rational as both companies would need time to understand what they are dealing with. Previously functioning as part of either AOL or Time Warner, the two executive teams have

elaborated their own approaches and positions, and bringing those closer together would be difficult.

Both companies would thus have more time to study each other's business models and learn the best aspects of culture and business practices. The restructuring has to be carried out proportionately to the size of both companies, or, alternatively, inclusion of executives from each company on the board could be equal. In this way, the merger would respect both cultures and give them time to adjust to each other.