

# [My investment choices](https://assignbuster.com/my-investment-choices/)

[Business](https://assignbuster.com/essay-subjects/business/)

Running Head Questions Questions Looking at a due diligence list I would prioritize financial areas and legal issues. These areas are the most important for successful performance of the company and its stable position. Due-diligence findings are used to set negotiating parameters, determine bid prices, and provide the basis for initial integration recommendations. Consider that a company's financial data are typically the most carefully scrutinized of all the information that is reviewed. Ideally, for each integration-related issue, is important to identify specific strategic or cost-related business goals made possible through the transaction. Initial dollar estimates are encouraged; typically at this stage, however, they are not yet completely validated. On the basis of the strategic goals, it is necessary to consider three broad categories of potential integration (in the three central columns), and eventually they place each major issue into one of these three categories, to reflect the level of integration required for obtaining optimized results (Camp, 2002).
2. It is possible to minimize " full integration" but accept minimal integration. Selected corporate and staff functions will be merged and consolidated, primarily to achieve staffing synergies and cost-efficiencies. All strategic and day-to-day operating decisions will remain autonomous and decentralized, with agreed-upon requirements for reporting to the parent company (Reed-Lajoux and Elson 2000). Also, it is possible to minimize the integration of culture and organizational structure. Few initiatives or responses change the configurations or the environment of a company more visibly and dramatically than an acquisition does.
3. The main emotional and personal reasons to start a business is to obtain a high social position in society and respect. Many people start a venture in order to communicate with new people and self-actualize. It is much more than money and a good job: it a possibility to express the self and be creative, apply unique ideas into life and create unique products or mass consumers (Camp, 2002).
4. A person can start ventures in different states, if it does not violate legal norms and regulations. Businesses in different states can provide a picture of such aspects as leadership, communication, performance management, and so on. Instead of learning about such aspects of a partner or target company after the fact, you can learn a great deal during this process (Camp, 2002). Measurable goals and objectives let people know what a successful business will look like and how long it should take. Shareholder value, return on capital employed, and market share were listed as the top three performance measures used to monitor success of the businesses in different states (Kennedy, 2003).
5. I would classify my venture as S-corporation. It will help me to avoid federal taxation and share income or losses among shareholders. Even valid staffing synergies have an implementation cost, but failure to perform due-diligence analysis in this area is rampant. Severance costs, " stay bonuses" and other such packages, plant-closure costs (such as continued insurance and tax payments on a closed facility) are often underestimated or omitted altogether (Reed-Lajoux and Elson 2000). The specific guidelines for S-Corporations are no more than 100 stakeholders, stakeholders must be US citizens and have one class of stock only, Profits are allocated in accordance with stakeholders' interests in the venture (Kennedy, 2003).
6. I suppose that both big and small companies have equal chances to admit to wrong doing or inclined to take chances and wait to be caught. Such scandals as Enron corporation and the case of Martha Steward show that tough regulation do not limit fraudulent actions and unfair reporting practices. Thus, many small businesses value their market position and strong brand image more than profits. Currant regulations have some drawbacks and the bigger companies are inclined to use irregular accounting procedures (Camp, 2002).
References
1. Camp, J. J. (2002). Venture Capital Due Diligence: A Guide to Making Smart Investment Choices and Increasing Your Portfolio Returns Wiley; 1 edition.
2. Kennedy, J. (2003). The Small Business Owner's Manual: Everything You Need To Know To Start Up And Run Your Business. Career Press.
3. Reed-Lajoux, A., Elson, Ch. M. (2000). The Art of M&A Due Diligence. McGraw-Hill; 1 edition.