

Unit 4 discussion board



**ASSIGN
BUSTER**

Mergers and Acquisitions In the business world of present times, acquiring different firms' strengths and workforce is a pretty common happening. The reason for the same is that different companies foresee as to where the profits will come in from in the near as well as distant future. Moreover, these also predict that having the other companies on their side would enable them to break new grounds and explore into territories which have not been touched before. However, on the other side of the story lies a dark reality that having these companies on one's side can not only lead to losses but also present reputation comes at stake.

Stockholders of the firm that is about to have another company within its folds as the strategic partner are the ones who are hit financially as well as otherwise in this alliance as they feel neglected in the whole deal. They lose out on the benefits that might entail from the partnership as well as feel left out of the whole equation as a matter of fact. The real reason behind acquiring other firms lies in the rationale that they bring with them huge amounts of revenue, investment opportunities as well as manpower. Another aspect suggests that they also bring forward target markets which were unheard of in the past and was literally impossible for the company's business to reach in the present as well as past scheme of things. A long term as well as a short term investment is thus made due to the fact that these companies are acquired and thus they work hand in hand with each other. The reasons for purchasing other firms lies on the basis that a company wants to reach to newer target audiences and for that it needs to take help and assistance from the other company. This means more and more alliance with potential partners as well as different conglomerates are formed up as a result. The mergers and acquisitions are also made up so as to predict

foreseeable profits and rewards for both the parties concerned and thus end up as a strategic partnership that would garner benefits for all concerned.

Acquired corporations are being paid too much in the wake of all these acquisitions that one is left bewildered at the amount of investments happening in this sector. Of course these would mean benefits for the whole industry present in a region but the same does not happen as the major players seem to have a win-win deal out of all this. The small parties are always left on the mercy of the big fish and thus they lose out big time.

The need of the hour is to decrease these losses for the small investors or stockholders as we may say here and give them enough advantages so that they invest in the business and thus the profits could be manifold. However doing so would require a major effort and a shift in the thinking perspectives on the part of the big players, the company owners and the people behind setting up the whole process of mergers and acquisitions in the first place.

BIBLIOGRAPHY

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