

**Week Five Reflection**

**Ossai Chegwe**

MBA Program, Nyack College

BUS 672 Mergers and Acquisitions

Prof. Joseph Reid

November 14th, 2021

## **BUS 672 Final Examination**

In the work for the final week of the course, the most challenging was developing the presentation slides for my capstone company reflecting the company's performance over a period of the last five years. I fell short of projecting my company as an entity that has performed strongly over the said period. Some other feedbacks include ensuring that I speak confidently while speaking about this company I represent; I must have a better grip while speaking about the company's valuation as well. My lecturer at the end of the class's presentation made mention that some presenters made the mistake of putting together an anti-takeover strategy for a privately owned company. Such defense strategies are meant for only public traded companies.

### **This Week's Readings – Chapters 14 and 16**

Mergers and Acquisitions are a huge undertaking for companies, it is really costly process to follow through but in this week's readings I learnt that there are other options which a company could pursue which are less expensive and less risky. These other options are strategic alliances, joint ventures and contractual agreements. A simpler alternative to strategic alliances and joint ventures is contractual agreement such as a long-term agreement between a company and its supplier. Contractual agreements tend to have the lowest commitment level. A contractual agreement is for a limited period of time. Where a contractual agreement doesn't fulfill the intended goals of a company then a strategic alliance or joint venture may be needed. The motives why Joint Ventures are explored include enhancing research and development, gaining access to supplies, enhancing distribution networks, and gaining access to foreign markets. With Joint Ventures there is still oversight and scrutiny by Federal regulatory authorities. The use of strategic alliances and their operation not only bring changes and benefits. A typical example of

a strategic alliance is the one between airlines which allows them to service many more routes and many more customers. There are also risks and limitations which need to be taken into account. Failures are often ascribed to unreasonable expectations, lack of commitment, cultural differences, the divergence of strategic goals, and insufficient confidence. Joint Ventures aren't recognized by the IRS, so the Joint Venture agreement needs to specify how taxes are to be paid. If the companies entering into a Joint Venture decide that they want to create a separate entity, it will be taxed like any other business.

## Reference

PATRICK A. GAUGHAN

Mergers, Acquisitions, and Corporate Restructurings Sixth Edition Copyright © 2015 by John Wiley & Sons, Inc