STRATEGIC MANAGEMENT
SECTION ONE

CIHAN UNIVERSITY – BUSINESS ADMINISTRATION DEPARTMENT
3RD STAGE
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Lecturer: Sharoo Nawrooz Fadhil
Email: sharoo.fadhil@sulicihan.edu.krd

COURSE OUTLINE

- **Week 1-2: Introduction to Strategic Management**
  - Definition and importance of strategic management
  - The strategic management process
  - Levels of strategy: corporate, business, and functional
- **Week 3-4: External Analysis**
  - Industry analysis using tools like Porter's Five Forces
  - PESTEL analysis (Political, Economic, Social, Technological, Environmental, Legal)
  - Competitive dynamics and positioning (competitive advantage)
- **Week 5-6: Internal Analysis**
  - Resource-based view (RBV) of the firm
  - SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)

COURSE OUTLINE

- **Week 7-8: Strategy Formulation**
  - Business-level strategies (Cost Leadership, Differentiation, Focus)
  - Corporate-level strategies (Diversification, Vertical Integration, Mergers and Acquisitions)
- **Week 9-10: Strategy Implementation and Execution**
  - Organizational structure and design
  - Strategic control and performance measurement
  - Strategic leadership and corporate governance
- **Week 11-12: Strategic Innovation and Change**
  - Managing innovation
  - Strategies for organizational change
  - Strategic entrepreneurship
- **Week 13: Global Strategic Management**
  - Globalization and international business
  - Entry modes and global expansion strategies

INTRODUCTION OF STRATEGIC MANAGEMENT

Definition of Strategic Management

Strategic Management is the systematic process of planning, implementing, and evaluating an organization's strategies to achieve its goals and objectives.

Importance of Strategic Management

1. Enhances organizational performance
2. Guides decision-making
3. Provides a framework for resource allocation
4. Enhances adaptability to change
5. Facilitates organizational alignment

STRATEGIC MANAGEMENT PROCESS

- **The strategic management process** is a systematic and continuous approach that organizations use to formulate, implement, and evaluate strategies to achieve their goals and objectives.
- **It involves** a series of interconnected steps designed to ensure that the organization aligns its internal capabilities with external opportunities in an ever-changing environment.
- It's important to note that the strategic management process is **iterative**, meaning that organizations often revisit and adjust their strategies in response to changing circumstances. **The process is dynamic** and requires flexibility to adapt to evolving challenges and opportunities.

Strategic Management Process

STRATEGIC MANAGEMENT PROCESS STEPS

1. **Environmental Analysis:**
    1. **Internal Analysis:** Assessing the organization's strengths and weaknesses.
    2. **External Analysis:** Evaluating opportunities and threats in the external environment using tools like SWOT analysis (Strengths, Weaknesses, Opportunities, Threats).
2. **Strategy Formulation:**
    1. **Setting Objectives:** Defining clear, measurable, and achievable goals.
    2. **Crafting Strategies:** Developing high-level plans and approaches to achieve the objectives.
    3. **Selecting Strategies:** Choosing the most suitable strategies based on the analysis.
3. **Strategy Implementation:**
    1. **Organizational Structure:** Designing an organizational structure that supports the chosen strategies.
    2. **Resource Allocation:** Allocating resources (financial, human, technological) to support the strategies.
    3. **Communication and Alignment:** Communicating the strategy throughout the organization to ensure alignment.

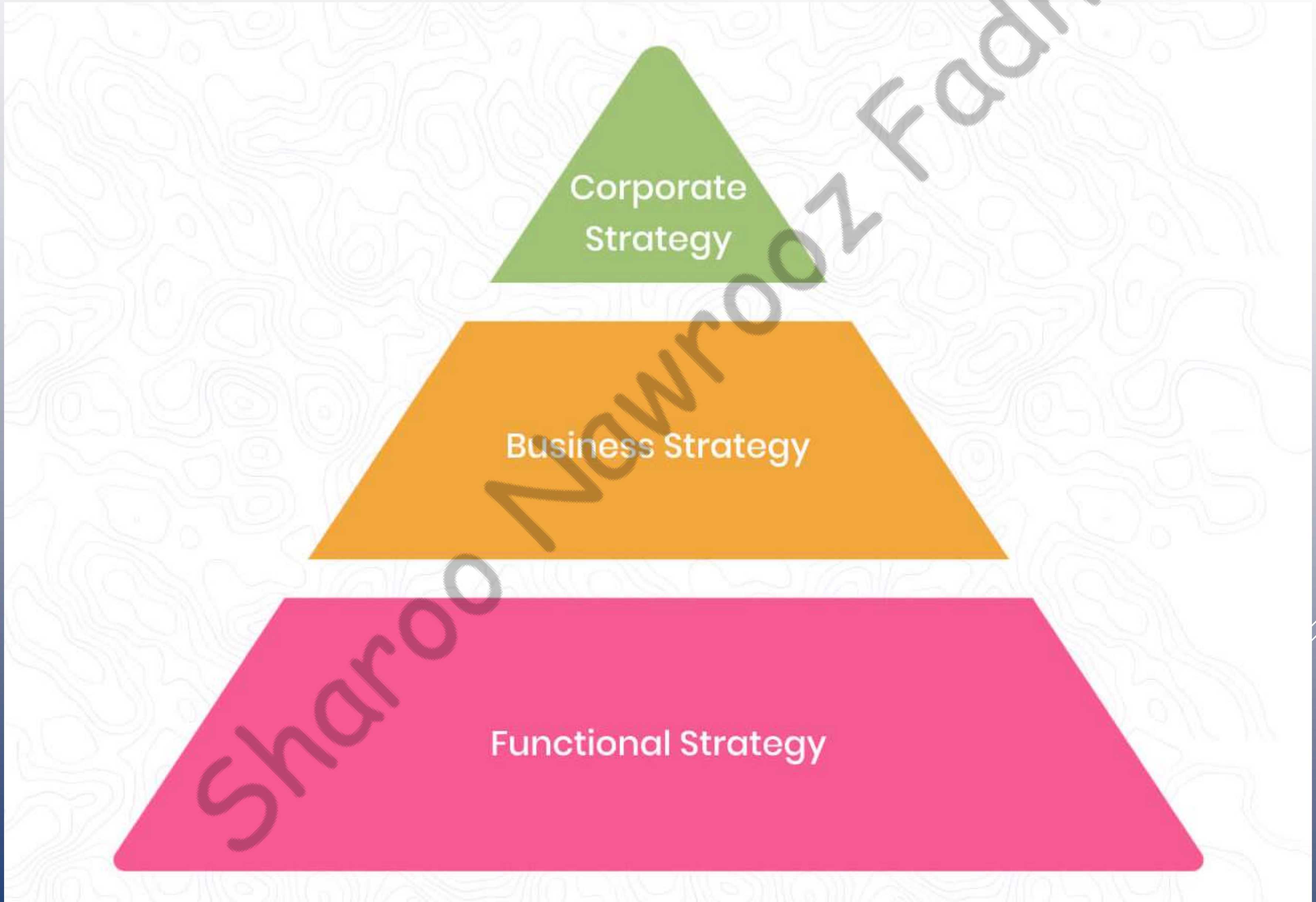
STRATEGIC MANAGEMENT PROCESS STEPS

4. **Evaluation and Control:**
   1. **Monitoring Performance:** Regularly assessing how well the organization is executing the strategy.
   2. **Measuring Progress:** Using key performance indicators (KPIs) to measure progress toward goals.
   3. **Feedback and Adjustments:** Gathering feedback, making adjustments to the strategy if needed, and learning from experience.
5. **Strategic Renewal:**
   1. **Adaptation to Change:** Anticipating and adapting to changes in the internal and external environment.
   2. **Innovation:** Encouraging innovation and continuous improvement in strategies and processes.
   3. **Learning and Improvement:** Evaluating the effectiveness of the strategic management process itself and making improvements as necessary.

LEVELS OF STRATEGY

- In strategic management, there are typically **three** main levels of strategy that organizations consider and develop: <u>corporate-level strategy, business-level strategy, and functional-level strategy</u>.
- Each level of strategy **serves a different purpose** and is associated with different scope and decision-making responsibilities.
- These levels of strategy are **interconnected** and must align with each other to ensure the overall success and coherence of the organization's strategic direction.
- The corporate-level strategy provides the framework for business-level strategies, and functional-level strategies support the achievement of business and corporate goals.
- It's important to note that **effective strategic management** requires coordination and integration across these levels to create a cohesive and synergistic approach to achieving the organization's mission and objectives.

Levels of strategy



LEVELS OF STRATEGY - 1

1. **Corporate-Level Strategy:**

- **Definition:** Corporate-level strategy focuses on the overall direction of the entire organization. It involves decisions related to the scope of the organization and the industries and markets in which it operates.
- **Key Elements:**
  - **Diversification:** Deciding on the range of industries and markets to operate in.
  - **Mergers and Acquisitions:** Assessing opportunities for acquiring or merging with other companies.
  - **Portfolio Management:** Managing a portfolio of businesses to achieve overall organizational goals.
- **Example:** A corporation deciding to enter a new industry or divest from a particular business.

LEVELS OF STRATEGY - 2

2. **Business-Level Strategy:**

- **Definition:** Business-level strategy is concerned with how a business competes within a particular industry or market. It involves decisions that guide how the organization will compete to achieve a sustainable competitive advantage.
- **Key Elements:**
  - **Cost Leadership:** Striving to be the low-cost producer in the industry.
  - **Differentiation:** Offering unique and distinct products or services.
  - **Focus (or Niche):** Concentrating on a specific segment or niche within the market.
- **Example:** A company adopting a differentiation strategy by offering unique features in its products.

LEVELS OF STRATEGY - 3

3. **Functional-Level Strategy:**

- **Definition:** Functional-level strategy involves decisions and actions within specific functional areas of the organization (e.g., marketing, operations, human resources) to support the overall business-level and corporate-level strategies.
- **Key Elements:**
  - **Marketing Strategy:** Determining how to promote and position products in the market.
  - **Operations Strategy:** Deciding on the most effective and efficient production processes.
  - **Human Resources Strategy:** Aligning workforce management with organizational goals.
- **Example:** Implementing a customer relationship management (CRM) system to support the overall business strategy.

EXTERNAL ANALYSIS
INDUSTRY ANALYSIS

What is Industry Analysis?

Industry analysis is a comprehensive examination and evaluation of the various factors and dynamics that shape an entire industry. It involves studying the structure, competitive forces, trends, opportunities, and threats within a specific business sector.

What is the purpose of industry analysis?

To gain insights into the key factors influencing the industry's performance, competitiveness, and overall attractiveness. It provides a systematic framework for understanding the environment in which businesses operate, helping organizations make informed decisions and formulate effective strategies.

IMPORTANCE OF UNDERSTANDING INDUSTRY DYNAMICS(ANALYSIS)

1. **Strategic Decision-Making:**

   Industry analysis guides strategic decision-making by helping businesses identify opportunities and threats within their industry. It informs choices related to market entry, product development, and competitive positioning.

2. **Competitive Advantage:**

   Understanding industry dynamics allows businesses to identify sources of competitive advantage. By recognizing key success factors and competitive forces, organizations can develop strategies that differentiate them from competitors.

3. **Risk Management:**

   Industry analysis helps businesses anticipate and manage risks associated with industry trends, regulatory changes, and competitive pressures. It enables proactive risk management and the development of contingency plans.

4. **Resource Allocation:**

   Businesses can optimize resource allocation by aligning their capabilities with industry opportunities. Industry analysis aids in identifying where to invest resources to achieve the highest returns.

5. **Market Positioning:**

   Understanding industry dynamics is crucial for effective market positioning. It helps businesses identify gaps in the market, assess customer needs, and tailor their offerings to meet specific demands.

IMPORTANCE OF UNDERSTANDING INDUSTRY DYNAMICS (ANALYSIS)

6. **Forecasting and Planning:**

   Industry analysis provides the foundation for forecasting future trends and planning long-term strategies. By staying informed about industry dynamics, businesses can adapt to changes and position themselves for sustained success.

7. **Regulatory Compliance:**

   Industries are subject to various regulations. Understanding industry dynamics helps businesses stay compliant with existing regulations and anticipate potential changes in regulatory environments.

8. **Investor Confidence:**

   For investors and stakeholders, a thorough understanding of industry dynamics is essential for assessing the viability and potential return on investment. It enhances confidence in the business's ability to navigate industry challenges.

9. **Innovation and Adaptation:**

   Industry analysis fosters a culture of innovation and adaptation. By staying attuned to industry trends, businesses can proactively innovate and adjust their strategies to remain competitive in a dynamic environment.

PORTER'S FIVE FORCES

Porter's Five Forces is a framework developed by Michael E. Porter, a professor at Harvard Business School, to analyze the competitive forces shaping an industry. The model **helps businesses** understand the intensity of competition within an industry and formulate strategies to enhance their competitive position.

Michael E. Porter's full name is Michael Eugene Porter. He is an American academic and a professor at Harvard Business School. Michael Porter is widely known for his contributions to the field of business strategy and competitiveness, and his work has had a significant impact on the study of management and economics.

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Porter's 5 Forces

- Competitive rivalry
- Threat of new entrants
- Threat of substitute products
- Bargaining power of supplier
- Bargaining power of customer

PORTER'S FIVE FORCES

1. **Threat of New Entrants:**

   This force assesses the ease with which new competitors can enter an industry and compete with established firms. Factors influencing the threat of new entrants include barriers to entry, economies of scale, brand loyalty, and government regulations.

2. **Bargaining Power of Buyers (Customers):**

   This force examines the power of buyers to influence prices and terms. Factors include the concentration of buyers, the availability of substitute products, the importance of each buyer to the industry, and the ability of buyers to integrate backward.

3. **Bargaining Power of Suppliers:**

   Suppliers can exert power by controlling the availability of key resources or by being the sole source of a critical input. The force considers factors such as the concentration of suppliers, the uniqueness of their products, and the availability of alternative sources.

PORTER'S FIVE FORCES

4. **Threat of Substitute Products or Services:**

   This force assesses the availability of alternative products or services that could potentially replace those offered by businesses within the industry. The more alternatives available, the higher the threat of substitution.

5. **Intensity of Competitive Rivalry:**

   Competitive rivalry measures the level of competition among existing firms in the industry. Factors include the number of competitors, the rate of industry growth, differentiation among products, and exit barriers.

PESTEL

PESTEL analysis (Political, Economic, Social, Technological, Environmental, Legal)

PESTEL Analysis, sometimes referred to as PESTLE Analysis, is a strategic framework used to assess and analyze the external macro-environmental factors that can impact an organization. The acronym PESTEL stands for Political, Economic, Social, Technological, Environmental, and Legal factors.

- **Why PESTEL analysis is important?**

This analysis helps businesses and organizations understand the broader external influences and trends that may affect their operations, decision-making, and overall strategic planning.


POLITICAL
Policies & laws (tax, labour, trade, ...)
Stability
Corruption
ECONOMIC
Growth
Inflation
Interest rates
Employment
HH Income
SOCIAL
Population
Ageing
Career views
Lifestyle
Cultural barrier
TECHNOLOGY
Technology incentives
Innovation
Automation
R&D activity
ENVIRONMENT
Climate change
Ethical
Recycling & disposal
Sustainability
LEGAL
Antitrust
Labour
Copyright
Data protection
Health & safety
PESTEL

OVERVIEW OF THE SIX EXTERNAL FACTORS IN **PESTEL** ANALYSIS

1. **Political Factors:**

   This factor assesses the impact of government policies, regulations, and political stability on the business environment. It includes considerations such as government stability, trade policies, tax regulations, and political ideologies.

2. **Economic Factors:**

   Economic factors examine the influence of economic conditions on the business. Key considerations include economic growth, inflation rates, exchange rates, interest rates, and overall economic stability.

3. **Social Factors:**

   Social factors analyze the societal and cultural aspects that can affect the business. This includes demographics, cultural trends, social attitudes, lifestyle changes, and population dynamics.

OVERVIEW OF THE SIX EXTERNAL FACTORS IN **PESTEL** ANALYSIS

4. **Technological Factors:**

   Technological factors assess the impact of technology on the industry and business operations. This includes innovations, research and development, automation, technological infrastructure, and the pace of technological change.

5. **Environmental Factors:**

   Environmental factors consider the influence of ecological and environmental issues on the business. This includes sustainability, climate change, environmental regulations, and the organization's environmental impact.

6. **Legal Factors:**

   Legal factors examine the legal and regulatory framework that affects the business. This includes laws related to labor, consumer protection, health and safety, intellectual property, and other legal considerations.

COMPETITIVE ADVANTAGE

Types of Competitive Advantage:

Competitive advantage refers to the unique attributes or strategies that allow a business to outperform its rivals and achieve superior performance in the marketplace.

THERE ARE TWO PRIMARY TYPES OF COMPETITIVE ADVANTAGE:

1. **Cost Leadership:**

   Cost leadership is achieved when a company becomes the lowest-cost producer in its industry. This enables the firm to offer products or services at a lower price than its competitors while maintaining acceptable profit margins. Cost leadership can result from economies of scale, operational efficiency, technological advantages, and effective supply chain management.

2. **Differentiation:**

   Differentiation involves offering unique products, services, or features that distinguish a company from its competitors. The goal is to create a perceived value that justifies premium pricing. Differentiation can be achieved through product design, brand image, technological innovation, superior quality, customer service, or other distinctive attributes.

OVERVIEW OF COST LEADERSHIP

Key Characteristics:

1. **Economies of Scale:** Large-scale production allows for lower per-unit costs.
2. **Operational Efficiency:** Streamlined and efficient processes throughout the value chain.
3. **Cost Control:** Rigorous cost control measures to minimize expenses.
4. **Access to Resources:** Strategic access to resources that contribute to cost advantages.
5. **Price Leadership:** Offering products or services at the lowest prices in the industry.

Illustrative Example: Walmart Walmart is a classic example of cost leadership. The company has mastered the art of operational efficiency and supply chain management, allowing it to offer a wide range of products at consistently low prices. Walmart's large-scale operations, inventory management, and cost control measures contribute to its cost leadership position.

OVERVIEW OF DIFFERENTIATION

Key Characteristics:

1. **Product Innovation:** Creating unique and innovative products.
2. **Brand Image:** Building a strong and positive brand image.
3. **Quality:** Delivering superior quality compared to competitors.
4. **Customer Service:** Providing exceptional customer service.
5. **Technological Leadership:** Incorporating advanced technologies or features.

Illustrative Example: Apple Apple is a prime example of differentiation. The company is known for its innovative product design, user-friendly interfaces, and a strong brand image. Apple's focus on creating unique and aesthetically appealing products, combined with a premium pricing strategy, sets it apart in the highly competitive consumer electronics market.

COMBINED STRATEGY

Some companies pursue a combination of cost leadership and differentiation, known as a "differentiation-focused" or "cost leadership-focused" strategy. This approach, often referred to as a "best-cost provider" strategy, aims to offer differentiated products at relatively low prices. Companies adopting this strategy seek a balance between cost efficiency and unique value proposition.

Understanding and leveraging these types of competitive advantage are critical for businesses in crafting effective strategies to thrive in competitive markets. Whether through cost leadership, differentiation, or a combination of both, a well-executed competitive advantage can lead to sustained success.

TOYOTA

SAMSUNG

H&M

amazon

DELL

H&M CASE STUDY

MPRA_paper_H&M.pdf

INTERNAL ANALYSIS: UNDERSTANDING ORGANIZATIONAL STRENGTHS AND WEAKNESSES

Internal analysis involves assessing an organization's internal resources, capabilities, and competencies to understand its strengths and weaknesses. Several frameworks aid in this process, including the Resource-Based View (RBV) of the firm, SWOT analysis, and the identification of core competencies and capabilities.

RESOURCE-BASED VIEW (RBV) OF THE FIRM

The Resource-Based View (RBV) of the firm is a strategic management theory that focuses on the internal resources and capabilities of an organization as key determinants of its competitive advantage and long-term success. Developed primarily by scholars such as Jay Barney and Birger Wernerfelt, the RBV posits that not all resources are equal and that sustainable competitive advantage comes from possessing unique, valuable, and difficult-to-imitate resources.

PRINCIPLES OF THE RBV

1. **Resources as Sources of Competitive Advantage:**

   The RBV argues that resources are the foundation of a firm's strategy. Resources can include tangible assets (e.g., physical infrastructure, technology) and intangible assets (e.g., knowledge, brand reputation).

2. **Resource Heterogeneity:**

   Resources among firms can be heterogeneous, meaning they differ in type, quantity, and quality. This heterogeneity is a source of competitive advantage because not all firms can access or develop the same resources.

3. **Resource Immobility:**

   Resources can be immobile, meaning they cannot be easily transferred or replicated. This immobility is a key factor in sustaining competitive advantage because it makes it difficult for competitors to imitate or substitute those resources.

PRINCIPLES OF THE RBV

1. **Value, Rarity, Inimitability, and Non-Substitutability (VRIN) Criteria:**

   According to the RBV, for a resource to be a source of sustained competitive advantage, it must meet the VRIN criteria:

   1. **Value:** The resource must enable the firm to exploit opportunities or defend against threats.
   2. **Rarity:** The resource must be rare among current and potential competitors.
   3. **Inimitability:** Competitors should find it difficult to imitate or replicate the resource.
   4. **Non-Substitutability:** There should be no equivalent substitutes for the resource.

2. **Dynamic Capabilities:**

   The RBV emphasizes the role of dynamic capabilities, which are an organization's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments.

APPLICATION OF THE RBV

1. **Identification of Core Competencies:** The RBV helps identify the core competencies that set a firm apart from its competitors. These competencies are the unique bundles of resources and capabilities that underpin a firm's competitive advantage.
2. **Strategic Decision-Making:** Organizations using the RBV consider their internal resources when making strategic decisions, focusing on leveraging their unique strengths and addressing weaknesses.
3. **Sustainable Competitive Advantage:** The RBV contributes to the development of sustainable competitive advantage by emphasizing the importance of resources that are valuable, rare, and difficult to imitate.

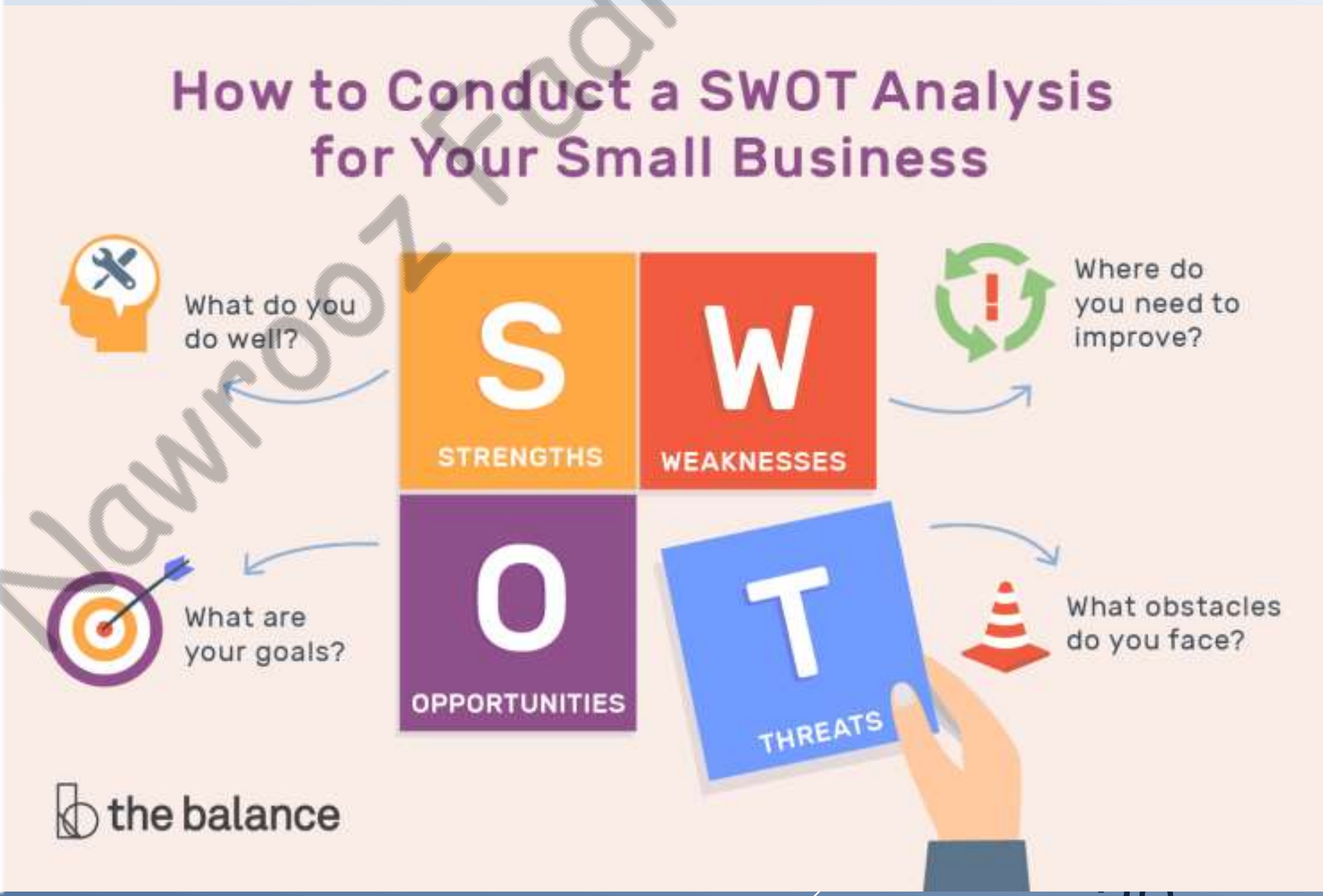
APPLICATION OF THE RBV

4. **Competitor Analysis:** Understanding the RBV can aid in competitor analysis by assessing the resources and capabilities of rivals and identifying potential areas of advantage or vulnerability.
5. **Strategic Flexibility:** The RBV encourages organizations to develop strategic flexibility, adapting their resource base to changing market conditions and staying ahead of competitors.

SWOT ANALYSIS

SWOT analysis is a strategic planning tool used to identify and evaluate the Strengths, Weaknesses, Opportunities, and Threats of an organization or a specific situation. It is a comprehensive framework that helps organizations understand their internal capabilities and challenges as well as external factors that may impact their performance. The analysis involves assessing both internal and external factors, providing a structured approach for strategic decision-making.


Helpful
Harmful
Internal
External
Strengths
Weaknesses
Opportunities
Threats


How to Conduct a SWOT Analysis for Your Small Business
What do you do well?
S
STRENGTHS
W
WEAKNESSES
Where do you need to improve?
What are your goals?
O
OPPORTUNITIES
T
THREATS
What obstacles do you face?
the balance

S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
Things your company does well	• Things your company lacks	• Underserved markets for specific products	• Emerging competitors
Qualities that separate you from your competitors	• Things your competitors do better than you	• Few competitors in your area	• Changing regulatory environment
Internal resources such as skilled, knowledgeable staff	• Resource limitations	• Emerging need for your products or services	• Negative press/ media coverage
Tangible assets such as intellectual property, capital, proprietary technologies etc.	• Unclear unique selling proposition	• Press/media coverage of your company	• Changing customer attitudes toward your company

SWOT ANALYSIS

1. **Strengths (S):**

   Internal attributes and resources that give the organization a competitive advantage.

   Examples: Strong brand reputation, skilled workforce, efficient processes, proprietary technology, and financial stability.

2. **Weaknesses (W):**

   Internal characteristics and limitations that may hinder the organization's performance.

   Examples: Inadequate resources, outdated technology, lack of expertise, poor internal communication, and high operating costs.

3. **Opportunities (O):**

   External factors and situations that the organization could exploit to its advantage.

   Examples: Emerging markets, technological advancements, changing consumer trends, partnerships, and favorable regulatory changes.

4. **Threats (T):**

   External factors and challenges that may pose risks to the organization's success.

   Examples: Intense competition, economic downturns, regulatory changes, technological disruptions, and shifts in consumer preferences.

PRESENTATIONS

Discuss the strategic planning of Netflix Company

[Netflix Case Study.docx]

STRATEGY FORMULATION

Strategy formulation is an iterative process that requires flexibility and adaptability. It involves a combination of analytical thinking, creativity, and effective communication to develop a comprehensive and actionable strategic plan for the organization.

Strategy formulation can be divided on 2 levels, which are:

1. Business-level strategies (Cost Leadership, Differentiation, Focus)
2. Corporate-level strategies (Diversification, Vertical Integration, Mergers and Acquisitions)

BUSINESS-LEVEL STRATEGIES

Business-level strategies are concerned with how a company competes in a specific market or industry. There are three primary business-level strategies:

1. **Cost Leadership:**

Objective: Becoming the lowest-cost producer in the industry.

Main Elements:

1. Economies of scale.
2. Efficient production processes.
3. Cost control measures.
4. Tight supply chain management.

Example: Walmart is known for its cost leadership strategy, offering a wide range of products at competitive prices through efficient supply chain management and cost-effective operations.

BUSINESS-LEVEL STRATEGIES

2. **Differentiation:**

Objective: Creating unique and distinctive products or services that stand out in the market.

Main Elements:

1. Product innovation.
2. Branding and marketing.
3. High-quality features.
4. Exceptional customer service.

Example: Apple differentiates itself through innovative design, cutting-edge technology, and a strong brand image, commanding premium prices for its products.

BUSINESS-LEVEL STRATEGIES

3. **Focus (or Niche) Strategy:**

Objective: Concentrating on a specific market segment, product line, or geographical area.

Main Elements:

1. Targeting a specific customer group.
2. Tailoring products or services to meet niche needs.
3. Building expertise in a specialized area.

Example: Rolex focuses on a niche market of luxury watch consumers, offering high-end, exclusive timepieces with a focus on craftsmanship and quality.

CORPORATE-LEVEL STRATEGIES

Corporate-level strategies are concerned with the overall scope and direction of the entire organization.

There are several corporate-level strategies, and here are three major ones:

1. **Diversification:**

Objective: Entering new markets or industries to reduce risk and enhance overall business performance.

Types:

1. **Related Diversification:** Entering new businesses that are related to the existing core business.
2. **Unrelated Diversification:** Entering businesses that are not directly related to the core business.

Example: General Electric (GE) has diversified into various industries such as healthcare, aviation, and energy, maintaining a portfolio of related and unrelated businesses.

CORPORATE-LEVEL STRATEGIES

2. **Vertical Integration:**

Objective: Controlling or owning various stages of the supply chain to gain more control over production processes and reduce costs.

Types:

1. **Backward Integration:** Owning or controlling suppliers.
2. **Forward Integration:** Owning or controlling distribution channels or retail outlets.

Example: Tesla vertically integrates by manufacturing electric vehicle components, batteries, and even owning a network of direct-to-consumer retail outlets.

CORPORATE-LEVEL STRATEGIES

3. **Mergers and Acquisitions (M&A):**

Objective: Acquiring or merging with other companies to achieve strategic goals such as market share expansion, synergy, or diversification.

Types:

1. **Horizontal M&A:** Combining with a competitor in the same industry.
2. **Vertical M&A:** Acquiring a company in the supply chain or distribution channels.
3. **Conglomerate M&A:** Combining with a company in a completely different industry.

Example: The acquisition of WhatsApp by Facebook is an example of horizontal M&A, where Facebook expanded its social media portfolio.

MERGER VS ACQUISITION(COMPARISON TABLE)

	MERGER	ACQUISITION
1	A merger occurs when two separate companies combine to form a new and joint company.	An acquisition occurs when one company buys another company and gains control of its operations.
2	In a merger, both companies merge/combine to form a new company. Shareholders of each company will own an equal stake in the new company.	In the case of acquisition, one company will purchase another and will assume complete control
3	Both companies have an equal say in decision-making.	The acquiring company has control over decision-making.
4	A merger usually involves two companies of roughly equal size.	An acquisition can involve any size difference between the two companies, with the larger company acquiring the smaller one
5	A merger is typically structured as a stock swap, whereby each company's shareholders receive new shares in the combined company.	It is usually structured as a purchase of assets or equity, whereby the acquiring company pays cash or stock to the shareholders of the target company
6	The purpose of the merger is to create synergies and economies of scale by combining two companies.	The purpose of the acquisition is to gain market share or access to new technology or products.
7	A merger is typically negotiated between the Board of Directors of each company.	An acquisition is typically negotiated between the senior management of each company
8	It usually requires regulatory approval from antitrust authorities.	It usually does not require regulatory approval unless the acquired company represents a large percentage of the

GROUP WORK

Facebook and WhatsApp M&A Case Study

Facebook's Purchase of WhatsApp_ Strategy Analysis - 1128 Words _ Case Study Example.pdf