

Mergers and Acquisitions

Moscow State University
Higher School of Business
November 2013
Gerald J Rohan

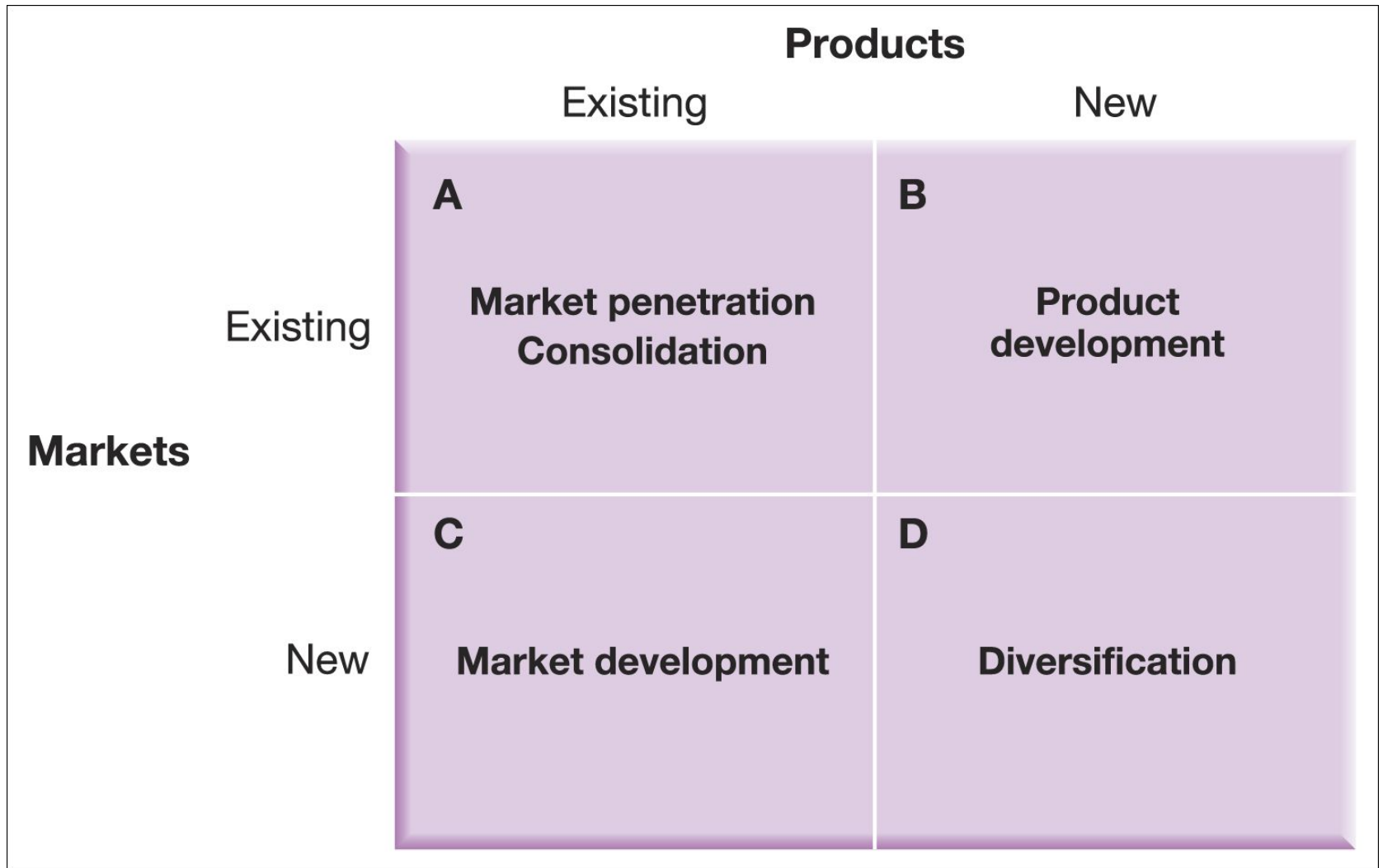


Exhibit 7.2 Strategic directions (Ansoff matrix)

Source: Adapted from H. Ansoff, *Corporate Strategy*, Penguin, 1988, Chapter 6. (The Ansoff matrix was later developed – see reference 1.)

Rationale

Market Stagnation

Exit Strategy

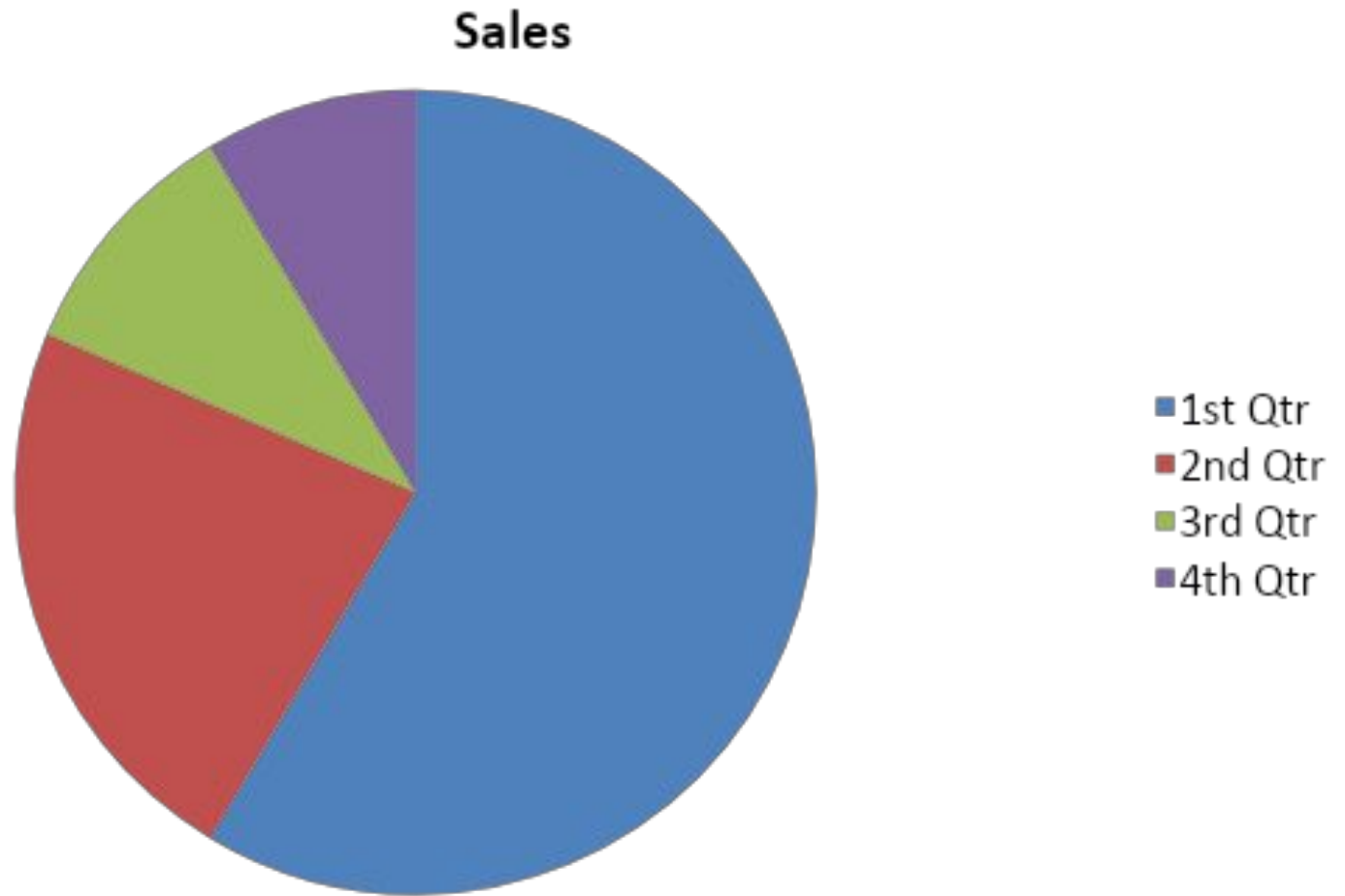
Concentration

Family Business retires

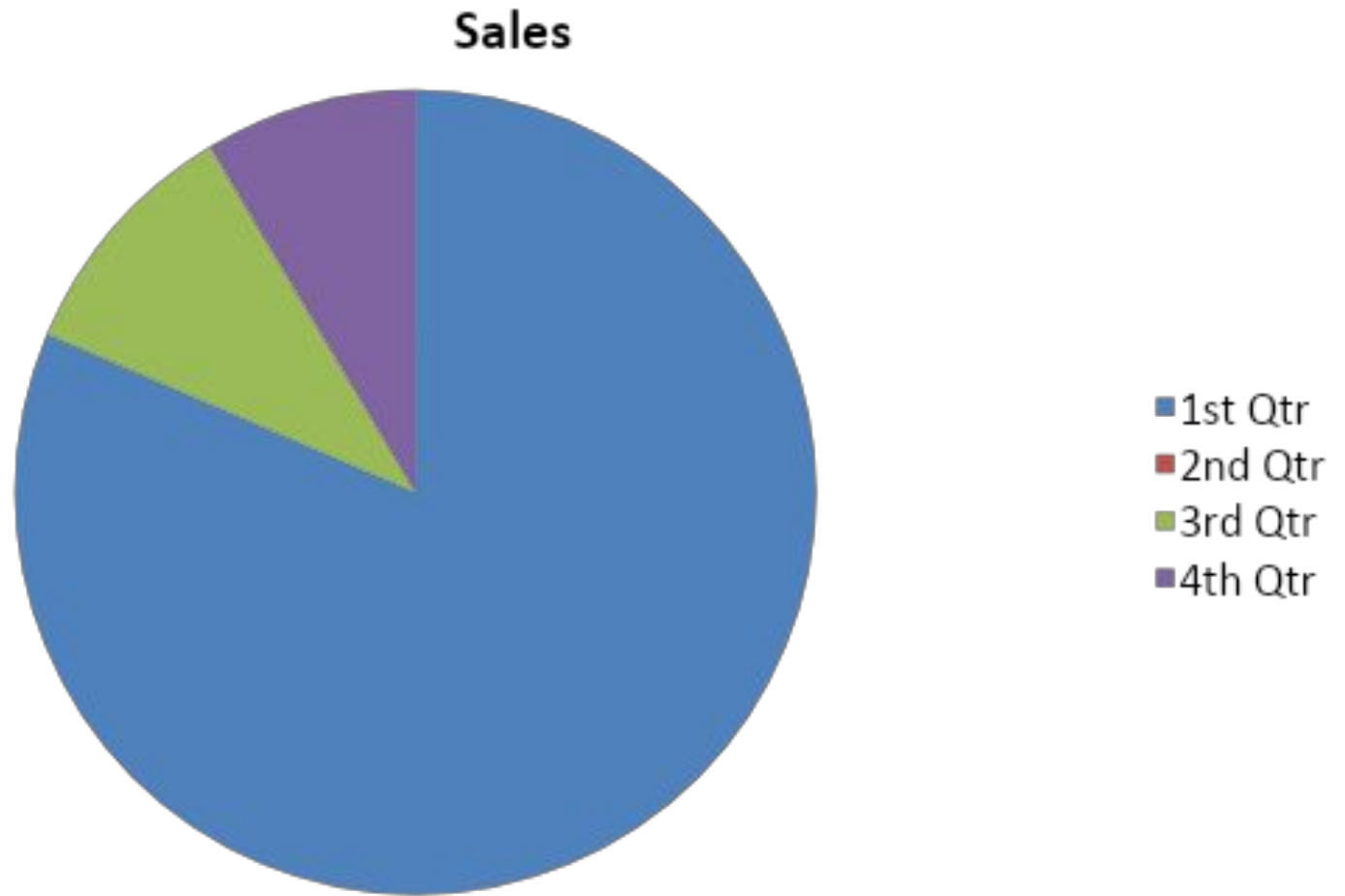
Eliminate Competitors

- Synergy
- Dynamics
- New Business Model
- Open new markets
- Creation of value

Before Transaction



After Transaction



Mergers & Acquisitions

- Successful
- Disney and Pixar
- Sirius and XM Radio
- Exxon and Mobil
- Disasters
- PRR and NYC
- Daimler and Chrysler
- Mattel and The Learning Company

Perhaps the worst

- AOL Time Warner
- America On Line New Economy
- Time Warner Old Economy

Happy Days?





- Steven Chase – Gerald Levin
- \$350 Billion Merger
- Worth around \$50 today
- What went wrong?