Recent Developments in the Ranbaxy Case

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Recent Developments in the Ranbaxy Case

In which ways can firms execute corporate strategy?

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Corporate Strategy

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The decision that managers make and the goal-directed actions they take to gain and sustain competitive advantage in several industries and market simultaneously.

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Strategic Alliances

voluntary arrangements between firms that involve the sharing of knowledge, resources and capabilities with the intent of developing processes, products, or services.

BARNES & NOBLE

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Mergers | Acquisitation

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p. 250 **Vertical integratoin**

number of activities a firm participates in up and down the value chain

p. 278 **Horizontal integration**

is the process of merging with competitors at the same stage of the industry value chain

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The built borrow or buy framework

Built internal development

Borrow enter a contract arrangement or strategic alliance

Buy acquire new resources

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M&A and competitive advantage

In most cases mergers do not create competitive advantage because they destroy shareholder value

Why do mergers occur?

- **Principle-agent problem**
  - **The desire to overcome competitive disadvantage**
    - **Superior acquisition and integration capability**

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Corporate Strategy

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The decision that managers make and the goal-directed actions they take to gain and sustain competitive advantage in several industries and market simultaneously.

Why do firms

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- To gain access to new mar
- To gain access to a new ca
- To preempt rivals

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Mergers

describes the joining of two independent companies to form a combined entity

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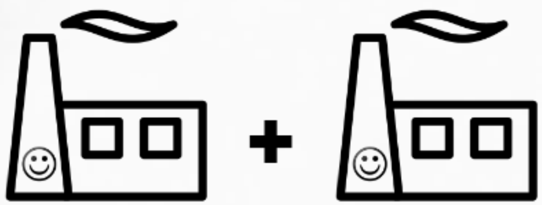

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Acquisitation

describes the purchase or takeover of one company by another

Hostile takeover: whenever target firm does not want to be acquired.

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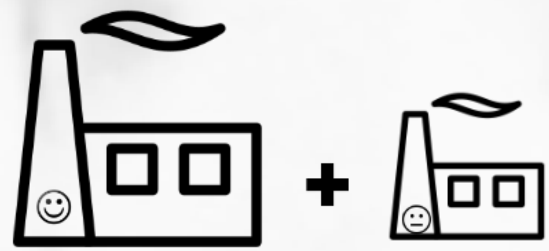

Why do firms make acquisitions?

- To gain access to new markets and distribution channels
- To gain access to a new capability or competency
- To preempt rivals

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Vertical integratoin

number of activities a firm participates in up and down the value chain

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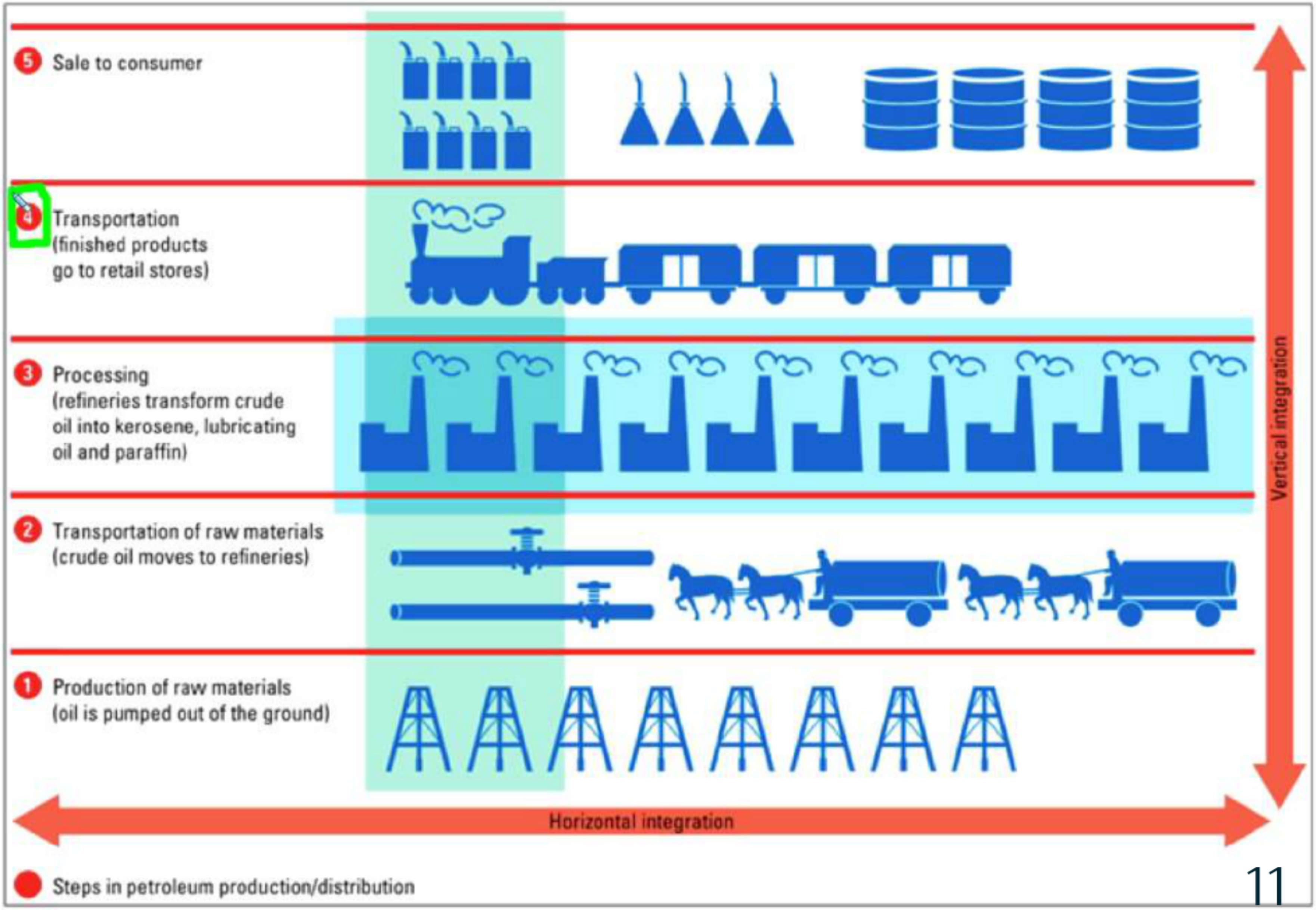
Horizontal integration

is the process of merging with competitors at the same stage of the industry value chain

Horizontal and Vertical Integration



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