Assignment 2: Brown’s Pharmaceutical Company Acquisition

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**As a CEO, you are trying to acquire a foreign firm. The size of your firm will double, and it will become the largest in your industry. What does your firm do and what does the foreign firm you are trying to acquire do? Where are the firms based?**

Brown’s Pharmaceutical Company is one of the leading pharmaceutical firms, in which develops, produces and markets drugs licensed for use as medications. For the past 20+ years we have been serving hospitals, doctor offices and medical clinics in the central and southwest regions of the United States. In the first decade of our business, we succeed in global expansion with Mexico, Honduras, Guatemala, Costa Rica, Peru and Chile.

The foreign firm we are trying to acquire is ABC Healthcare Centre in Eastern Africa. They are a group medical division that provides comprehensive healthcare services. Their services include in-hospital care, outpatient medical care, 24 hours-7 days a week nursing help-line and mobile health facilities. ABC Healthcare Centre services bringing healthcare to their clients’ doorsteps in the event of emergencies available in major East African cities such as Kenya, Uganda and Tanzania.

**You are very enthusiastic about the opportunity to be a leading captain of industry and the associated power, prestige, and income. (You expect your salary, bonus, and stock option to double next year). However, you are troubled by the fact that 70% of mergers and acquisitions (M&As) reportedly fail. How would you proceed?**

Business acquisitions do require a great deal of work especially when it comes to the Legal and Financial areas*.* In the business community, this is widely understood and acted upon*.*

**What institution-based issues would you encounter? Discuss**.

**What resource-based issues would you face? Describe.**

*Being able to create alliances would be a potential issue. These “alliances must create value”. (Peng, 2011)*

**What are your managerial motives? Explain.**

One of my managerial motives would be to implement the best business plan to achieve the company goals. Another would be to train, develop and motivate employees.

**Do you possess hubris? Explain your answer.**

No I do not posses hubris. I do not have as the book puts it “exaggerated pride or over-confidence in my capabilities”. (Peng, 2011)

**How would you ensure the success of your acquisition?**

I have made sure the acquisition is a part of the solution to achieve our strategy. We must assess the potential candidate because this assessment step is vital to financial success of the acquisition. It is rare that two companies are a perfect fit. Making sure the target company has what you want and fits nicely into the strategy we want to accomplish. If the company has products or services, in which do not fit with your strategy then make sure there is a plan in place that will deal it. I will have to make sure that evaluating the competencies of the acquisition is important to the true value of the acquisition. Time would have to be spent understanding the culture of the new organization. Make sure to get to know the key players are and their intent. We would have to look at how they stack up in their markets. We would need to understand the market dynamics such as who our competitors are. The reactions of customers and potential customers have to be anticipated. “Do not let company availability drive strategy or limit the choices you evaluate.” (Harrison)

References

You are to use at least three references apart from the textbook. (Need 2 more refs)

Harrison, D. (n.d.). Who Should We Acquire. Retrieved October 26, 2011, from Ezine Articles: http://ezinearticles.com/?Who-Should-We-Acquire?&id=1325521

Peng, M. (2010). *Global:2011 custom edition.* Mason, OH: South-Western Cengage Learning.