

Case Study

MERRIL LYNCH in JAPAN

Dr. Himanshu Mohan

About Company



History of Company



Charles E. Merrill

Wall Street



Edmund C. Lynch



Pathé Exchange

RKO Pictures

Contd...



Safeway



E. A. Pierce & Co.



Contd...



Contd...



About



After the Acquisition



Introduction of Case Study

Facts of Case



Questions

Given the changes that have occurred in the international capital markets during the past decade, does Merrill Lynch's strategy of expanding internationally make sense? Why?

What factors make Japan a suitable market for Merrill Lynch to enter?

Review Merrill Lynch's 1997 reentry into the Japanese private client market. Pay close attention to the timing and scale of entry and the nature of the strategic commitments Merrill Lynch is making in Japan. What are the potential benefits associated with this strategy? What are the costs and risks? Do you think the tradeoff between benefits and risks and costs makes sense? Why?

The collapse in stock market values in 2001¹⁰² resulted in Merrill Lynch's Japanese unit incurring significant losses. In retrospect, was the Japanese expansion a costly blunder or did the company simply get hit by macroeconomic events that were difficult to predict and avoid?

Do you think Merrill Lynch should continue in Japan? Why?

Thank You!

