

Corporate - Growth and Entry mode



Team 5

Introduction

Corporate

A corporate refers to a large company or group of companies authorized to act as a single entity, recognized by law as separate from its owners.

Corporate - Growth and Entry mode

Corporate growth refers to the strategies companies use to expand their operations, increase revenue, and enhance market share. Entry modes define how companies enter new markets, influenced by their resources and objectives.

Types of Strategies



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Internal Growth Strategy

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Horizontal Integration

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Concentration Strategies

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Conglomerate Diversification

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Merger Strategy

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Vertical Integration

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Takeovers or Acquisitions Strategy

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Joint Ventures

1

Internal Growth Strategy

Internal growth focuses on expanding a firm's production capacity, workforce, and sales without mergers or acquisitions. It helps maintain efficiency, quality, and brand image, unlike external growth.

- **Apple** : Develops iconic products like the iPhone and iPad. R&D investment in M1 chip and new services like Apple Music.
- **Tesla** : Innovates in battery technology and autonomous driving to meet rising demand.



2

Concentration Strategies

Concentration strategies focus on growing a company by targeting a narrow product line, market, or industry to achieve deeper market penetration and competitive advantage. These strategies emphasize on methods like :

- Market Penetration
- Market Development
- Product Development

Advantages : Focused Expertise and Efficient Resource Allocation

Disadvantages : Market Saturation Risk and Vulnerability to Changes



3

Mergers Strategies

In a merger, two companies combine to form a new entity. Typically, both companies are of similar size, and they mutually agree to join forces for strategic reasons, often resulting in a new brand or organizational structure.

- Market Expansion
- Synergies and Cost savings
- Diversification
- Acquire new Technologies or Capabilities
- Financial benefits



4

Takeover or Acquisition Strategies

In an acquisition, one company (the acquiring company) purchases and takes control of another company (the target company). The acquiring company typically retains its identity, while the acquired company may be absorbed, operate as a subsidiary, or be dissolved.

- Market Expansion
- Synergies and Cost savings
- Diversification
- Acquire new Technologies or Capabilities
- Financial benefits



Merger Vs Acquisition

Merger

- Both companies are of similar size
- they mutually agree to join forces for strategic reasons
- Often results in a new brand or a combination of the existing brands.
- Cultural integration is usually a significant challenges
- Ownership and control are usually shared between the stakeholders of both companies.
- Companies combine their assets, liabilities, and stock.

Acquisition

- Usually involves a larger, more dominant company purchasing a smaller one.
- The acquired company may retain its name, operate as a subsidiary, or be completely rebranded under the acquiring company
- Acquiring company's culture usually prevails.
- Acquiring company assumes ownership of the target.
- Acquiring company assumes control.

Horizontal Integration

Horizontal integration occurs when companies expand by creating or acquiring other firms in the same line of business

Example : Tata Financial Services, Tata Capital, and Tata Investment Corporation within the same industry.

Reasons for Horizontal Integration:

- Increase Market Share
- Cost Reduction
- Leverage:
- Efficient Promotion
- Access to Distribution

Conglomerate Diversification

Conglomerate diversification is a strategy where a company expands by creating new business units that are unrelated to its existing operations.

Example : Aditya Birla Group has successfully diversified into telecommunications with Idea Cellular, cement production with Ultra Tech Cement, and financial services with Birla Sun Life Insurance.

Benefits of Conglomerate Diversification:

- Risk Reduction and Financial Stability
- Economies of Scale:
- Revenue Growth:
- Enhanced Managerial Competence:

VERTICAL INTEGRATION

Vertical integration is a growth strategy where a company expands its operations by adding new products or services that are complementary to its existing lines. This can occur in three ways

1.Backward Integration

2.Forward Integration

3.Both Backward and Forward Integration

JOINT VENTURES

Joint ventures involve partnerships where two or more firms collaborate on a specific project while maintaining their individual ownership. These partnerships can be temporary or long-term, depending on the objectives set by the firms.

01

When Do Joint Ventures Form

02

Characteristics of Joint Ventures

03

Types of Joint Ventures

04

Reasons for Formation

TYPES OF JOINT VENTURES

- 01 SAME INDUSTRY, SAME COUNTRY**
- 02 DIFFERENT INDUSTRIES, SAME COUNTRY**
- 03 INTERNATIONAL VENTURES IN DOMESTIC MARKETS**
- 04 FOREIGN COUNTRY VENTURES**
- 05 THIRD COUNTRY VENTURES**

entry
MODES

exporting

licensing

franchising

Joint ventures

wholly owned

mergers

greenfield

cross border

strategic



Exporting



Licensing



Franchising



**Merger and
Acquisition**



Joint ventures



wholly owned



Greenfield



Strategic



Cross-border



Market Summary > Adani Enterprises Ltd

3,108.60 INR

+2,971.65 (2,169.88%) ↑ past 5 years

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1D | 5D | 1M | 6M | YTD | 1Y | **5Y** | Max



Market Summary > Reliance Industries Ltd

2,775.00 INR

+1,435.10 (107.11%) ↑ past 5 years

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1D | 5D | 1M | 6M | YTD | 1Y | **5Y** | Max



	<i>Vinnaithaandi Varuvaayaa</i>	Gautham Vasudev Menon	Silambarasan, Trisha
2010	<i>Madrasapattinam</i>	A. L. Vijay	Arya, Amy Jackson
	<i>Boss Engira Bhaskaran</i>	M. Rajesh	Arya, Nayanthara, Santhanam
	<i>Mynaa</i>	Prabhu Solomon	Vidharth, Amala Paul
	<i>Ko</i>	K. V. Anand	Jiiva, Ajmal, Karthika, Piaa Bajpai
2011	<i>Maaveeran</i>	S. S. Rajamouli	Ram Charan, Srihari, Kajal Aggarwal, Dev Gill.
	<i>Mankatha</i>	Venkat Prabhu	Ajith Kumar, Arjun Sarja, Trisha, Andrea Jeremiah
2012	<i>The Dark Knight Rises</i>	Christopher Nolan	Christian Bale
	<i>Kanna Laddu Thinna Aasaiya</i>	KS Manikandan	Santhanam, Vishakha Singh, Dr. Srinivasan
	<i>Udhayam NH4</i>	Manimaran	Siddharth, Ashrita Shetty
	<i>Neram</i>	Alphonse Puthren	Nivin Pauly, Nazriya Nazim, Bobby Simha
2013	<i>Kutti Puli</i>	M. Muthaiah	Sasikumar, Lakshmi Menon
	<i>Aadhalal Kadhal Seiveer</i>	Suseenthiran	Santhosh Ramesh, Manisha Yadhav
	<i>Thagaraaru</i>	Ganesh Vinaayac	Arulnithi, Poorna
	<i>Endrendrum Punnagai</i>	I. Ahmed	Jiiva, Trisha, Vinay, Santhanam, Andrea Jeremiah
	<i>Nedunchaalai</i>	N. Krishna	Aari Arujunan, Sshivada
2014	<i>Saivam</i>	A. L. Vijay	Nassar, Vidya Pradeep
	<i>Aranmanai</i>	Sundar C	Sundar C, Hansika Motwani, Vinay Rai, Andrea Jeremiah
	<i>Tamiluku En Ondrai Aluthavum</i>	Ramprakash Rayappa	Nakul, Attakathi Dinesh, Bindu Madhavi, Aishwarya Dutt
	<i>Inimey Ippadithan</i>	Muruganand	Santhanam, Ashna Zaveri, Akhila Kishore
2017	<i>Ippadai Vellum</i>	Gaurav Narayanan	Udhayanidhi Stalin, Manjima Mohan,
	<i>Nimir</i>	Priyadarshan	Udhayanidhi Stalin, Namitha Pramod, Parvati Nair
2018	<i>Oru Kuppai Kathai</i>	Kaali Rangaswamy	Dinesh, Manisha Yadhav
	<i>Silukkuvarupatti Singam</i>	Chella Ayyavu	Vishnu Vishal, Regina Cassandra
	<i>Nerkonda Paarvai</i>	H. Vinoth	Ajith Kumar, Shraddha Srinath, Abhirami Venkatachalan
2019	<i>Namma Veettu Pillai</i>	Pandiraj	Sivakarthikeyan, Anu Emmanuel, Aishwarya Rajesh
	<i>Palvid</i>	Ivan de Souza	Vijay Sethupathi, Nayanthara, Fahadh Faasil

2022	<i>Radhe Shyam</i>	Kumar	Prabhas, Pooja Hegde
	<i>Beast</i>	Nelson	Vijay, Pooja Hegde
	<i>Kaathuvaakula Rendu Kaadhal</i>	Vignesh Shivan	Vijay Sethupathi, Nayanthara, Samantha
	<i>Don</i>	Cibi Chakaravarthi	Sivakarthikeyan, Priyanka Mohan, SJ Surya
	<i>Nenjuku Needhi</i>	Arunraja Kamaraj	Udhayanidhi Stalin, Shivani Rajashekhar
	<i>Vikram</i>	Lokesh Kanagaraj	Kamal Haasan, Vijay Sethupathi, Fahadh Faasil
	<i>Rocketry: The Nambi Effect</i>	R. Madhavan	R. Madhavan, Simran
	<i>Gulu Gulu</i>	Rathna Kumar	Santhanam, Adhulya Chandran
	<i>Laal Singh Chaddha (Tamil)</i>	Advait Chandan	Aamir Khan, Kareena Kapoor
	<i>Thiruchitrambalam</i>	Mithran R Jawahar	Dhanush, Nithya Menen
2023	<i>Diary</i>	Innasi Pandiyan	Arulnithi, Pavithra Marimuthu
	<i>Cobra</i>	R. Ajay Gnanamuthu	Vikram, Srinidhi Shetty
	<i>Captain</i>	Shakti Soundar Rajan	Arya, Aishwarya Lekshmi
	<i>Vendhu Thanindhathu Kaadu</i>	Gautham Vasudev Menon	Silambarasan, Siddhi Idnani
	<i>Ponniyin Selvan: I</i>	Mani Rathnam	Vikram, Karthi, Aishwarya Rai Bachchan, Udhayanidhi Stalin, Nayanthara, Samanth
	<i>Sardar</i>	P. S. Mithran	Karthi, Raashii Khanna
	<i>Coffee with Kadhal</i>	Sundar C	Jai, Jiiva, Amirtha Aiyer
	<i>Love Today</i>	Pradeep Ranganathan	Pradeep Ranganathan, Ivana
	<i>Gatta Kusthi</i>	Chella Ayyavu	Vishnu Vishal, Aishwarya Lekshmi
	<i>Sembi</i>	Prabhu Solomon	Ashwin, Kovai Sarala
2023	<i>Varisu</i>	Vamshi Paidipally	Vijay, Rashmika Mandanna
	<i>Thunivu</i>	H. Vinoth	Ajith Kumar, Manju Warrier
	<i>Dada</i>	Ganesh K Babu	Kavin, Aparna Das
	<i>Agilan</i>	N. Kalyanakrishnan	Jayam Ravi, Priya Bhavani Shankar
	<i>Kannai Nambathey</i>	Mu. Maran	Udhayanidhi Stalin, Aathmika
	<i>Viduthalai Part 1</i>	Vetrimaaran	Soori, Vijay Sethupathi
	<i>Ponniyin Selvan: II</i>	Mani Ratnam	Vikram, Karthi, Aishwarya Rai Bachchan, Udhayanidhi Stalin, Nayanthara, Samanth
	<i>Kazhuvethi Moorkkan</i>	SY Gowthamraj	Arulnithi, Dushara Vijayan, Santhosh Prathap, Fahadh Faasil
	<i>Maaveeran</i>	Madonne Ashwin	Sivakarthikeyan, Aditi Shankar
	<i>Jawan</i>	Atlee	Shah Rukh Khan, Nayanthara, Vijay Sethupathi
	<i>Chiththa</i>	S. U. Arun Kumar	Siddharth, Nimisha Sajayan

Questions

- 1.What are the key challenges companies face during a merger, and how can they effectively address these challenges to ensure a successful integration?**
- 2.What is greenfield investment, and how does it differ from other market entry strategies in terms of risk, control, and potential for growth?**
- 3.What are the key differences between mergers and acquisitions, and how do each of these strategies impact the operational structure and goals of the involved companies?**