Acquisition of Corporation

Student’s Name

Institution

Date

**Identify the costs and benefits with acquisition of the existing subsidiary and maintaining production in Japan.**

Merger and acquisition (M&A) has been described as the best strategy for market entry. Corporations which have similar strategy to enter a new market have benefited and therefore, grow into profitability within a short time. Japan is a very dynamic market and therefore, doing business has proved to be a challenged to many firms. Through merger and acquisition, a company acquires a wider customer base and therefore, improves its market share. A company also acquires a knowledgeable and experience staffs with deep understanding of the market (Tokura & Mori, 2018). This would give the company understand over its market competitors. It would also help the company to keep its market logistic and also acquire the existing one, and therefore, it would help the company to strategically avail products for the clients where customers can reach faster. It is therefore, evident that merger and acquisition would be the best strategy for the company to use in order to expand its market presence and profitability in the Japanese market.

**Compare the costs and benefits of a licensing repurchase and either establishment of a new production subsidiary in Japan**

Since the company is strategically focusing to expand its operations in Japans, the best strategy would be to establish a production plant in Japan or obtaining a licensing repurchase. Establishing production plan in Japan would help the company to cut off on transportation, import levies and other logistics, which it has been incurring as result of producing clothes and other products in the United States. Besides lowering cost transportation, acquiring a production plant through venture or franchising would also help the company to expand into the market faster. However, licensing repurchase is also one of the best strategies for market entry (Kraim, 2015). It benefits companies through limitation of several risks, which company might incur. Through licensing a company gives shares to investors and therefore, the cost of establishing a plant or company in a foreign nation would be cheaper compared to other forms of market entry.

# References

Kraim, P. (2015). Mergers and acquisitions. *International Journal of Business and Management* , 2-34.

Tokura, K., & Mori, A. (2018). Private mergers and acquisitions in Japan: overview. *Business Management and Economics* , 2-18.