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3 Why do executive initiated merger and acquisitions of other firms

3 Reasons for M&A →

Companies merge with or acquire other companies for a host of reasons including

1) Synergies →

By combining business activities, overall performance efficiency tends to increase and across the board costs tend to drop, due to the fact that each company leverages the other company's strengths.

Growth →

Mergers can give the acquiring company an opportunity to grow market share without doing significant heavy lifting.

(ii) In case supply - chain pricing power,

By buying out one of its suppliers or manufacturers a business can eliminate an entire of costs.

