

SECTION - 2

Back



SEMINAR

ON

**CONSOLIDATION –
THE NEW BUSINESS MANTRA**

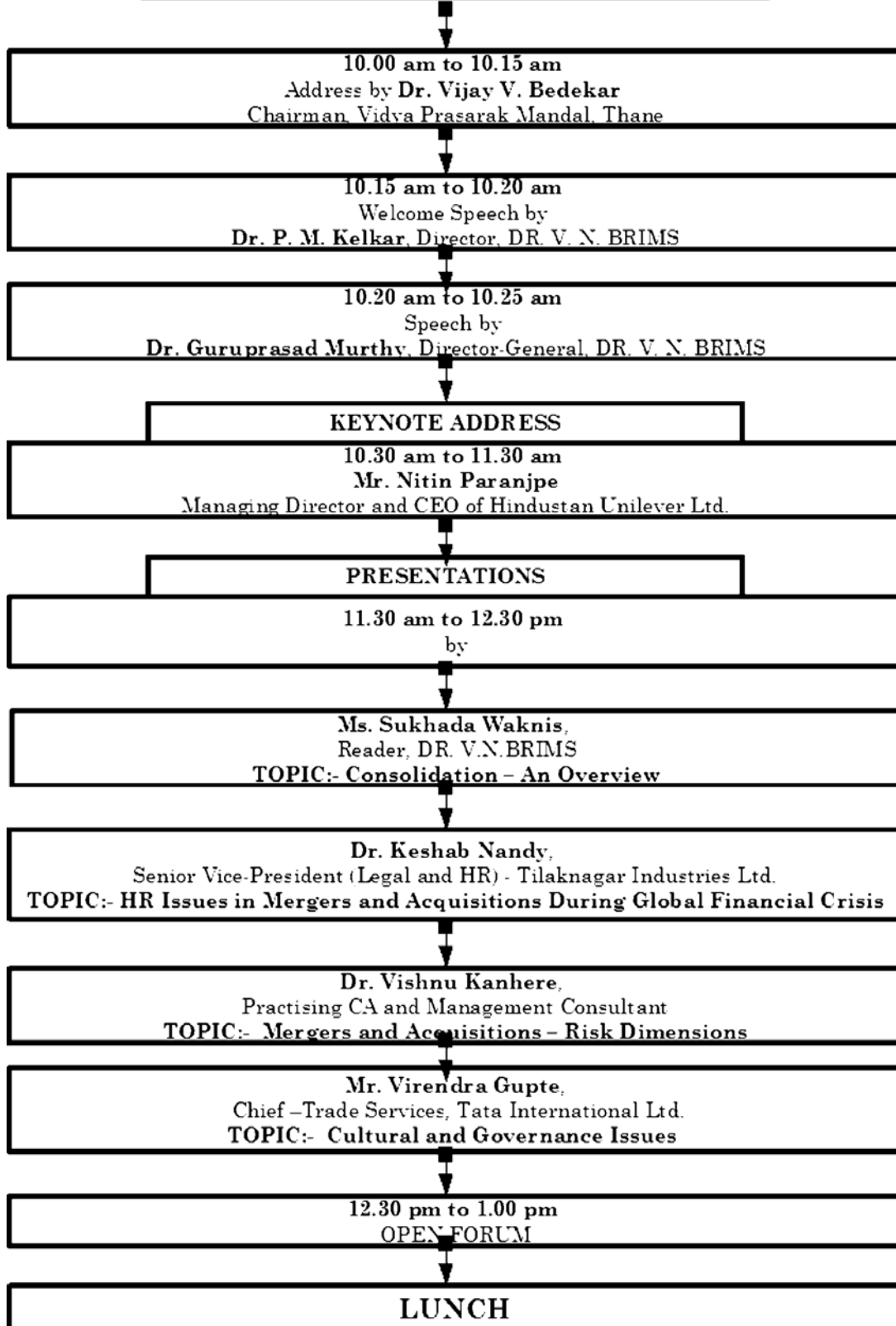
ON

SATURDAY, 14TH FEBRUARY, 2009

**VENUE:- THORALE BAJIRAO PESHWE SABHAGRUHA,
THANE COLLEGE CAMPUS, THANE**

STRUCTURE OF SEMINAR

MORNING SESSIONS



AFTERNOON SESSIONS

KEYNOTE ADDRESS

2.00 pm to 3.00 pm
Mr. Deepak Ghaisas
Chairman, Gencoval

3.00 pm to 3.20 pm
Mr. Satish Utekar
General Manager
Thane Janata Sahakari Bank
TOPIC:- Consolidation in Banking Industry

3.20 pm to 4.30 pm
PRESENTATION BY
MMS-I-STUDENTS
ON
WORLD FINANCIAL CRISES

4.30 pm to 5.20 pm
☞ OPEN FORUM
☞ VOTE OF THANKS

Keynote Address

Mr. Nitin Paranjpe

Mr. Nitin Paranjpe MD and CEO of Hindustan UniLever was one of keynote speakers for this year's seminar. According to Mr. Paranjpe consolidation is process of combining two or more business entities. Consolidation is either aimed at enhancing the economies of sale or economies of scope.

While aiming for economics at scope an entity looks for greater access in the field of new technology, science, product line etc. Slowdown in developed markets, globalisation and easy flow of capital and people are prominent drivers for consolidation. When there is a slowdown in developed markets it becomes difficult for business entity to grow and expand. Hence, the entity starts looking for new markets may be in some other country. This triggers the act of globalisation. Today globalisation is one of the prominent drivers for consolidation. Globalisation has further triggered the easy flow of capital and people.

Mergers and Acquisition are one of the ways through which a firm can achieve consolidation or strengthen its position in market. However, a survey from prominent research firm shows that 70% to 80% of all M & A's destroy value. Hence, Mr. Paranjpe rightly said that – M & A is not a panacea for all problems. It is just a management tool through which a firm can enhance its position in market. He came up with interesting examples to prove this.

AOL was started in 1992 as an Internet service provider. It gained lot of attention as Internet boom caught momentum. It soon become a big Internet service provider company. Contrary to this, Time Warner was a pretty old company started in 1922.

It had a large customer base. Together they formed a very formidable pair in field of media and entertainment. However, in 2001-02 Internet bubble burst and many companies got bankrupt in US . Audit also showed that there were improprieties in AOL Goodwill. This incident lead to the failure of this merger. Apart from dotcom burst, there were cultural clashes within the firms and many other reasons for failure.