**Mergers, acquisitions and joint ventures – types of external growth speed dating activity**

**Teacher guidance**

* In preparation for this task students should be taught the meaning of the key terms below and the key motives for external growth.
* Integration
* Merger
* Takeover (acquisition)
* Vertical integration – forward and backward
* Horizontal integration
* Conglomerate integration
* Students can work individually, in pairs or small groups.
* Using the internet or news articles provided by the teacher they must research one real business type of external growth.
* They will be given the booklet featured here from Page 2 onwards and will be expected to fill it in over the course of the activity.
* Students can be provided lesson time or be asked to prepare this for a homework task. They must research the details of one specific example of external growth. Once students have researched their deal they must fill in the first table in the booklet.
* The individuals, pairs or small groups will then move around the room and pair up teaching each other about their example of external growth. By the end, students should have a good example of a few merger, takeover and joint ventures and the motives and issues involved.

**Real examples of external growth**

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| Takeovers | Mergers | Joint Ventures |
| Whitbread & Costa Coffee | Iberia & British Airways - IAG | Orange with T-Mobile to form EE |
| Royal Bank of Scotland & ABN Amro | Lloyds Bank & TSB | Tesco with China Resources Enterprise (CRE) |
| Kraft & Cadbury | Exxon & Mobile | Microsoft with BesTV (IPTV) |
| Tata & Jaguar Land Rover | Daimler Benz & Chrysler | SAB Miller with Molston Coors Brewing Company – MillerCoors |
| Ebay & PayPal | AOL & Time Warner | Jaguar Land Rover with Chery Automobile (China) |
| Coca Cola & Innocent | Random House (Bertelsmann) & Penguin Group (Pearson) | Brompton Bicycle with Lane & Trip and Mauri Space |
| Morrisons & Safeway | Glaxo Wellcome & SmithKline Beecham | Sony & Ericsson |
| News Corporation & Myspace | TUI & First Choice |  |
| Unilever & Ben & Jerry’s | Dixons Retail & Carphone Warehouse |  |
| Google & You Tube |  |  |
| Sky & Amstrad |  |  |
| Lenovo & Motorola Mobility |  |  |
| Facebook & Instagram |  |  |
| Co-op & Somerfield |  |  |
| Santander & Abbey National |  |  |
| Disney & Pixar |  |  |
| L’Oreal & Body Shop |  |  |

**Types of external growth speed dating activity**

**Real example 1**

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| **Companies involved** |  | & |  |

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| --- | --- |
| **Details**  **(Who purchased who)** |  |

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| --- | --- | --- | --- | --- | --- | --- |
| **Type of deal**  ***(Tick box)*** | **Merger** |  | **Takeover/acquisition** |  | **Joint venture** |  |

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| **Cost involved?** |  |

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| **Type of integration**  ***(Tick box)*** | **Vertical forward** |  | **Vertical backward** |  | **Horizontal** |  | **Conglomerate** |  |

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| **Motives for the deal** |  |

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| **Positive impacts of the deal** |  |

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| **Negative impacts of the deal** |  |

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| **Was there any resistance to the deal and by whom?** |  |

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| **Was the deal a success or failure?** |  |

**Real example 2**

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| **Companies involved** |  | & |  |

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| **Details**  **(Who purchased who)** |  |

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| **Type of deal**  ***(Tick box)*** | **Merger** |  | **Takeover/acquisition** |  | **Joint venture** |  |

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| **Cost involved?** |  |

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| **Type of integration**  ***(Tick box)*** | **Vertical forward** |  | **Vertical backward** |  | **Horizontal** |  | **Conglomerate** |  |

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| --- | --- |
| **Motives for the deal** |  |

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| **Positive impacts of the deal** |  |

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| **Negative impacts of the deal** |  |

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| **Was there any resistance to the deal and by whom?** |  |

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| **Was the deal a success or failure?** |  |

**Real example 3**

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| **Companies involved** |  | & |  |

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| **Details**  **(Who purchased who)** |  |

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| **Type of deal**  ***(Tick box)*** | **Merger** |  | **Takeover/acquisition** |  | **Joint venture** |  |

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| **Cost involved?** |  |

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| **Type of integration**  ***(Tick box)*** | **Vertical forward** |  | **Vertical backward** |  | **Horizontal** |  | **Conglomerate** |  |

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| **Motives for the deal** |  |

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| **Positive impacts of the deal** |  |

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| --- | --- |
| **Negative impacts of the deal** |  |

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| **Was there any resistance to the deal and by whom?** |  |

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| **Was the deal a success or failure?** |  |

**Real example 4**

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| **Companies involved** |  |  | & |  |

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| **Details**  **(Who purchased who)** |  |

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| **Type of deal**  ***(Tick box)*** | **Merger** |  | **Takeover/acquisition** |  | **Joint venture** |  |

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| **Cost involved?** |  |

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| **Type of integration**  ***(Tick box)*** | **Vertical forward** |  | **Vertical backward** |  | **Horizontal** |  | **Conglomerate** |  |

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| --- | --- |
| **Motives for the deal** |  |

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| **Positive impacts of the deal** |  |

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| --- | --- |
| **Negative impacts of the deal** |  |

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| --- | --- |
| **Was there any resistance to the deal and by whom?** |  |

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| **Was the deal a success or failure?** |  |

**Real example 5**

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| **Companies involved** |  | & |  |

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| **Details**  **(Who purchased who)** |  |

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| **Type of deal**  ***(Tick box)*** | **Merger** |  | **Takeover/acquisition** |  | **Joint venture** |  |

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| **Cost involved?** |  |

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| **Type of integration**  ***(Tick box)*** | **Vertical forward** |  | **Vertical backward** |  | **Horizontal** |  | **Conglomerate** |  |

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| --- | --- |
| **Motives for the deal** |  |

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| **Positive impacts of the deal** |  |

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| **Negative impacts of the deal** |  |

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| --- | --- |
| **Was there any resistance to the deal and by whom?** |  |

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| **Was the deal a success or failure?** |  |

**Real example 6**

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| **Companies involved** |  | & |  |

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| **Details**  **(Who purchased who)** |  |

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| **Type of deal**  ***(Tick box)*** | **Merger** |  | **Takeover/acquisition** |  | **Joint venture** |  |

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| **Cost involved?** |  |

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| **Type of integration**  ***(Tick box)*** | **Vertical forward** |  | **Vertical backward** |  | **Horizontal** |  | **Conglomerate** |  |

|  |  |
| --- | --- |
| **Motives for the deal** |  |

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| --- | --- |
| **Positive impacts of the deal** |  |

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| --- | --- |
| **Negative impacts of the deal** |  |

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| --- | --- |
| **Was there any resistance to the deal and by whom?** |  |

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| **Was the deal a success or failure?** |  |